



尚舜化工
S U N S I N E

CHINA SUNSINE CHEMICAL HOLDINGS LTD.

中国尚舜化工控股有限公司

2H2024 & FY2024 Results Briefing

4 Mar 2025

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Presentation Outline

01 Our
Company

02 Financial
Overview

03 Key
Developments

04 Industry Info
and Outlook

Our Company

About China Sunshine

China's #1 Rubber Chemical producer

World's #1 Rubber Accelerators producer

Top Insoluble Sulphur producer

Key player in anti-oxidants production

Premium products with comprehensive range

Accredited by global leading tire makers

Committed to stringent environmental standards



Essential Additives in the production of rubber products

Rubber Accelerators (RA)

Reduce curing time, improve tire strength, elasticity, and durability, and optimise production efficiency



Insoluble Sulphure (IS)

Improves tire strength, structural integrity, and resistance to heat and tire wear



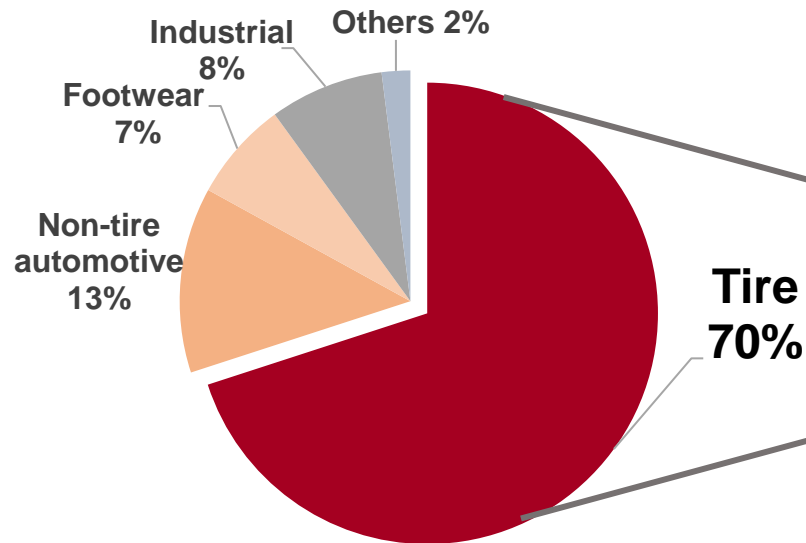
Anti-oxidants (AO)

Extend tire lifespan, prevent cracking, and maintain flexibility and performance under harsh conditions.



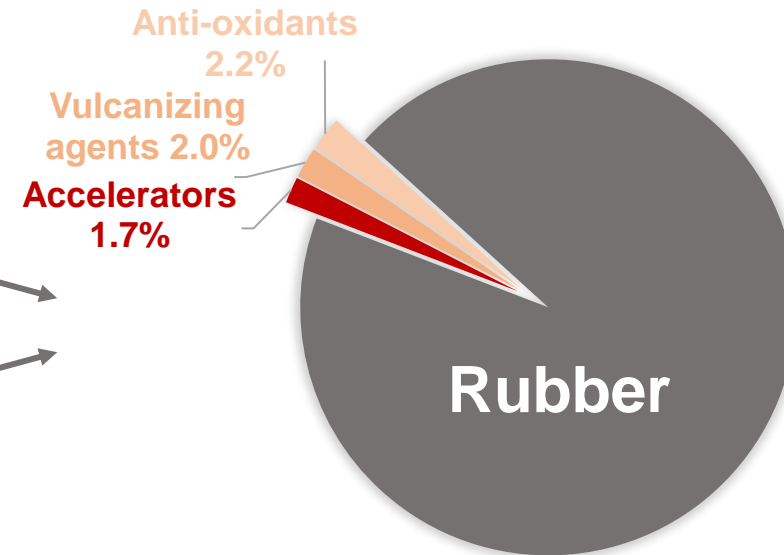
Rubber/Rubber Chemicals Consumption

Global Rubber Consumption by Applications



www.fortunebusinessinsights.com

Rubber Chemicals Consumption in Tire Manufacturing



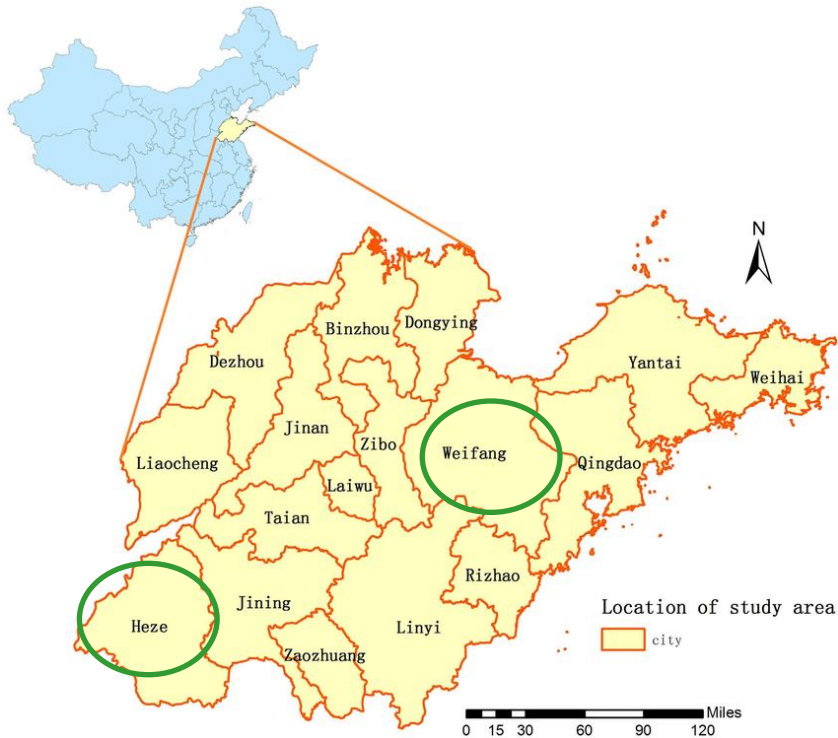
Rubber chemicals are essential for performance, despite small volume and cost share

Note: Above two charts are general information for reference only



Our Production Bases

4 production bases in Shanxian, Weifang, Shandong province, P.R.China



China Sunshine – **Leading rubber chemical producer in China**

Production capacity:

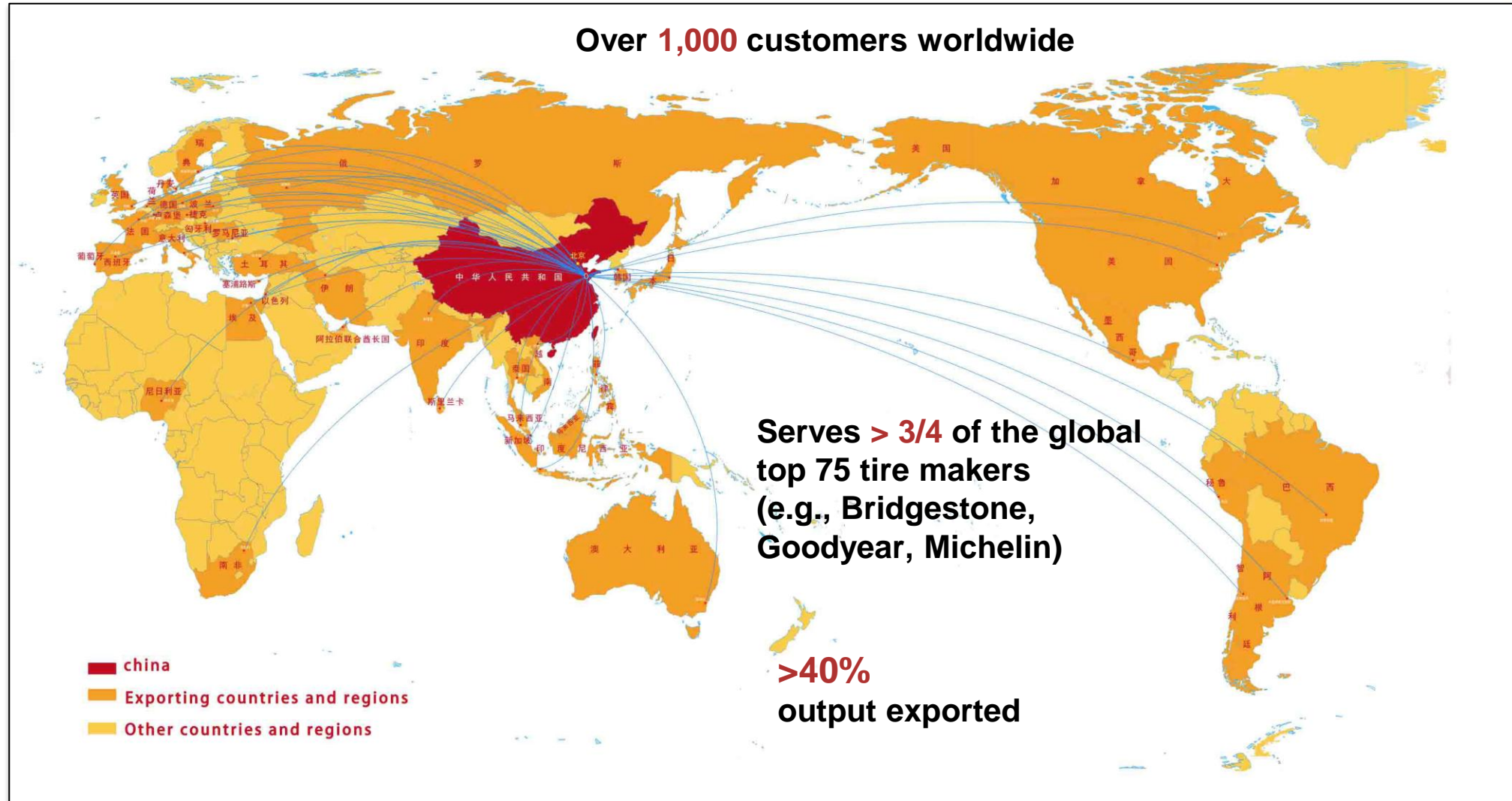
- RA: 117,000 tonnes p.a.
- IS: 60,000 tonnes p.a.
- AO: 77,000 tonnes p.a.

Supporting facilities:

- Centralised heating plant (steam & electricity production)
- Yongshun Env (waste treatment)
- Controlled landfill

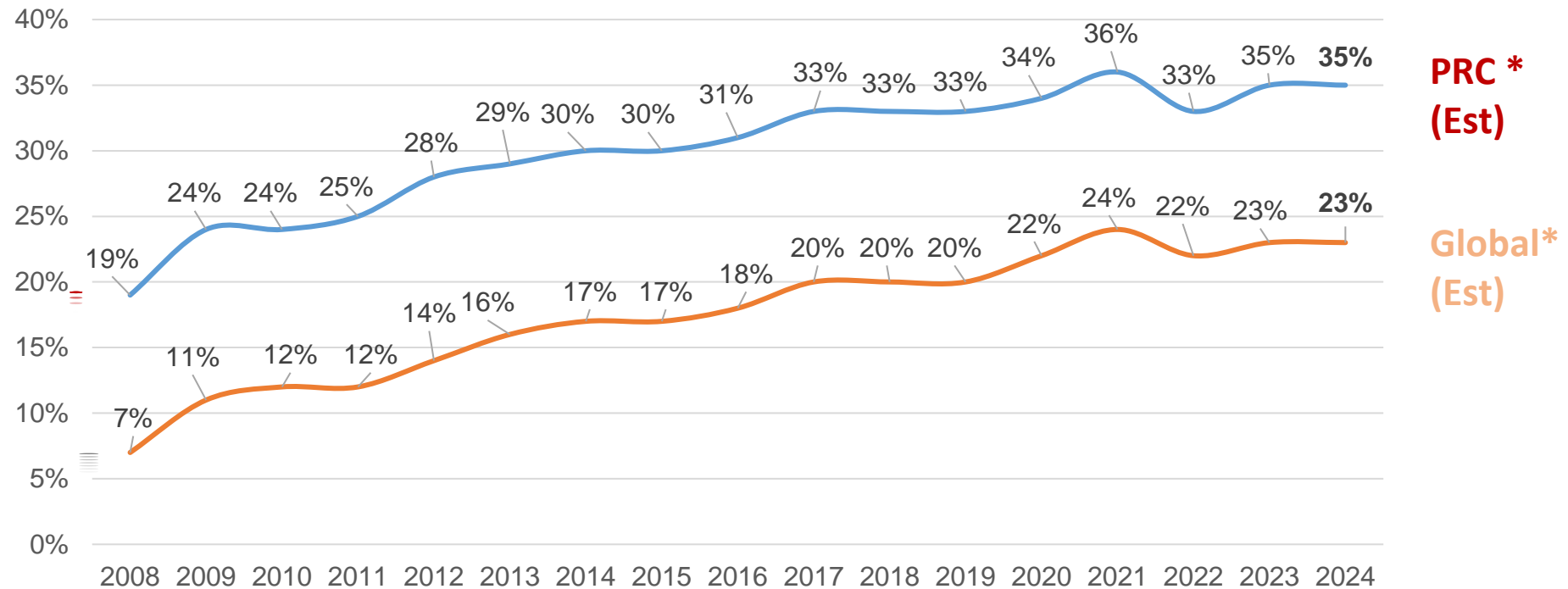


Our Strong Customer Base



World Largest Accelerators Producer

Group's market share of our rubber accelerators products



Note: Our market share is calculated based on published data from China Rubber Association and management's estimation



Financial Overview

Financial Highlights

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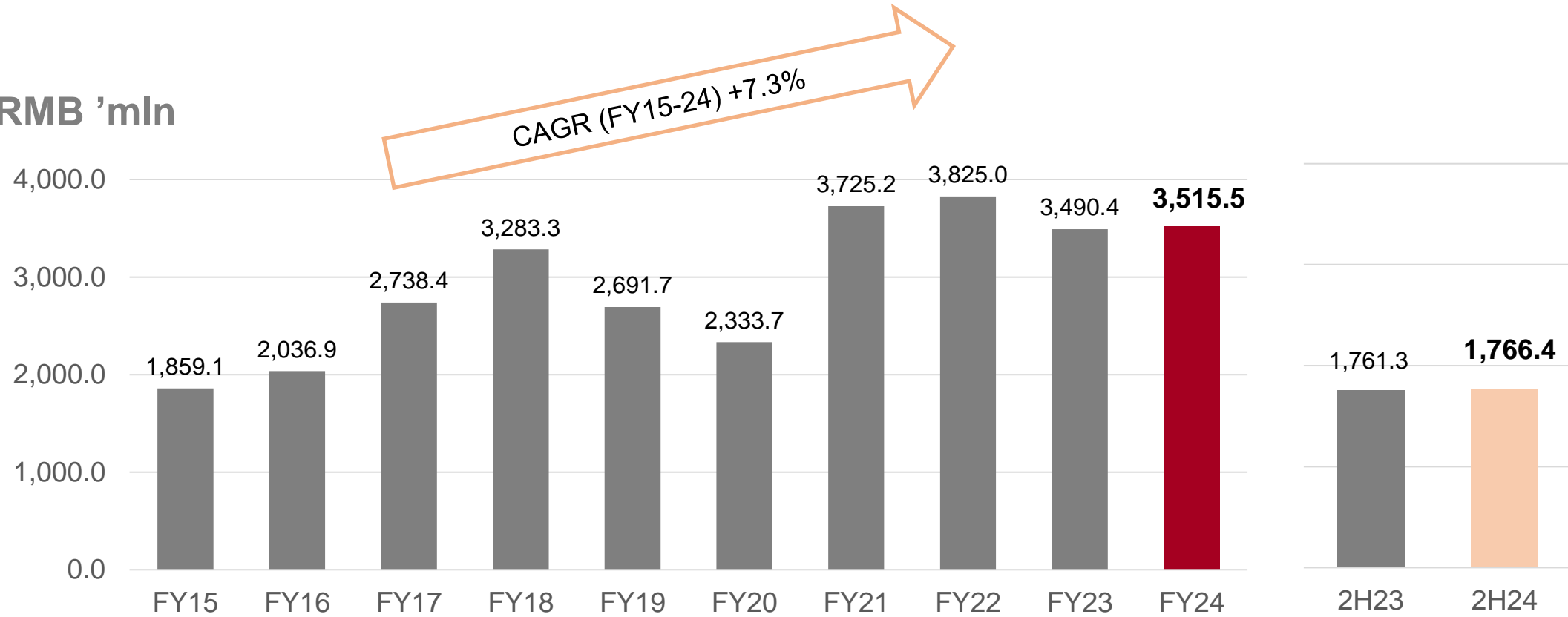
RMB 'mln	6 Months Ended			12 Months Ended		
	31/12/24	31/12/23	Change	31/12/24	31/12/23	Change
Group Revenue	1,766.4	1,761.3	-	3,515.5	3,490.4	1%
Gross Profit	416.4	386.9	8%	850.0	798.9	6%
Gross Profit Margin	23.6%	22.0%	1.6 pts	24.2%	22.9%	1.3 pts
Pre-tax Profit	317.0	217.1	46%	585.1	453.2	29%
Net Profit	235.1	177.8	32%	423.9	372.4	14%
EPS (RMB/SGD Cents*)	24.63/ 4.63	18.50/ 3.48	33%	44.34/ 8.33	38.67/ 7.23	15%
NAV per share (RMB/SG Cents*)				441.45/ 82.96	409.34/ 76.92	

* Singapore Dollars to RMB at the exchange rate of 5.3214



Revenue Growth

RMB 'mln



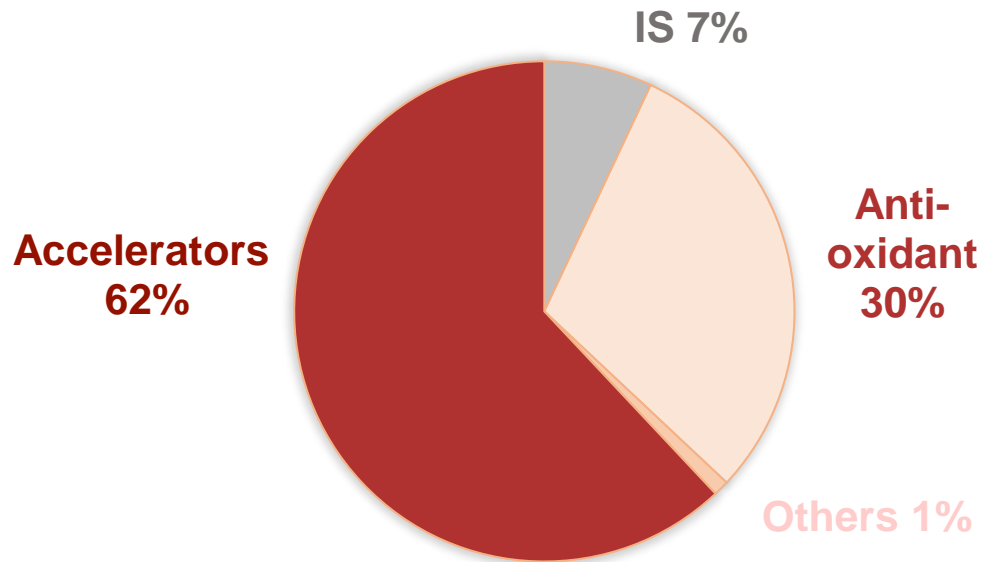
- FY2024 revenue up slightly yoy due to higher sales volume despite lower ASP



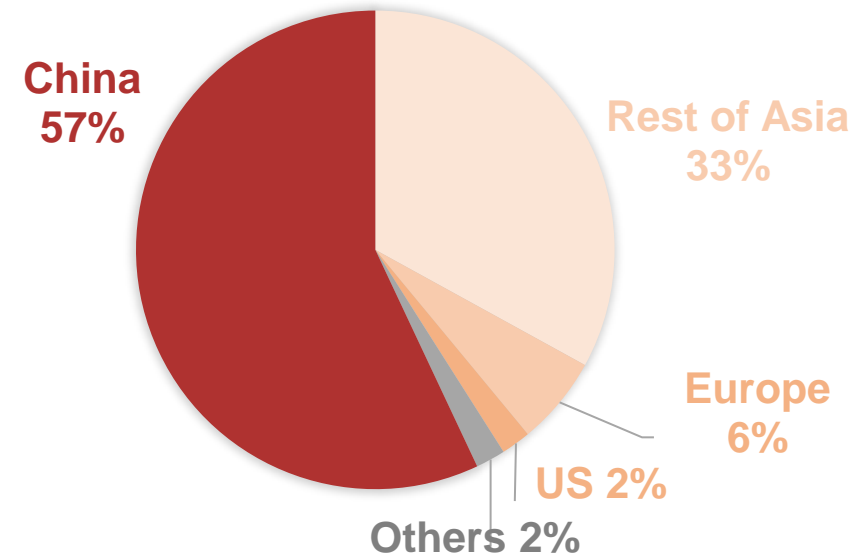
Sales Segments Analysis

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Sales By Products



Sales By Region

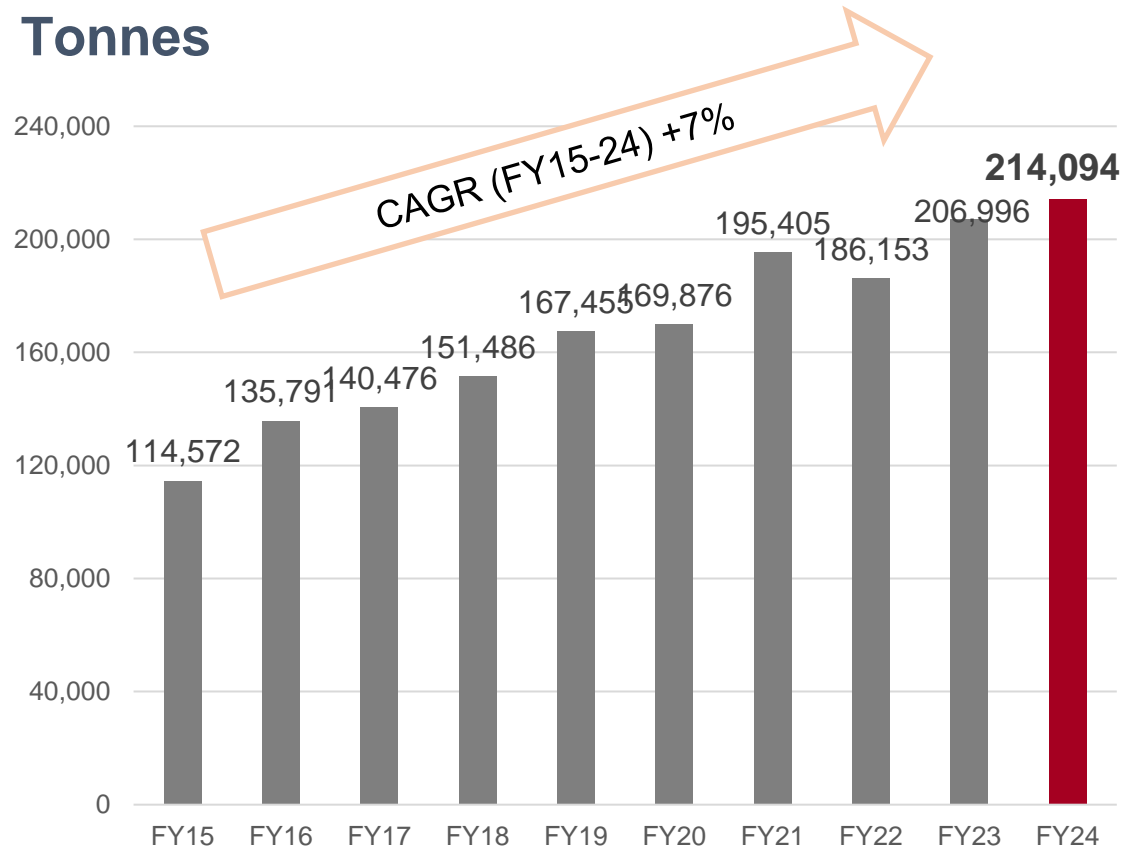


- International sales increased, mainly due to many Chinese tire makers setting up plants overseas, especially in SEA, leading to an increase in orders from overseas market
- Chinese tire makers are offshoring production driven by access to natural rubber, expanded market reach, lower production costs and trade advantage etc.



Sales Volume

Tonnes



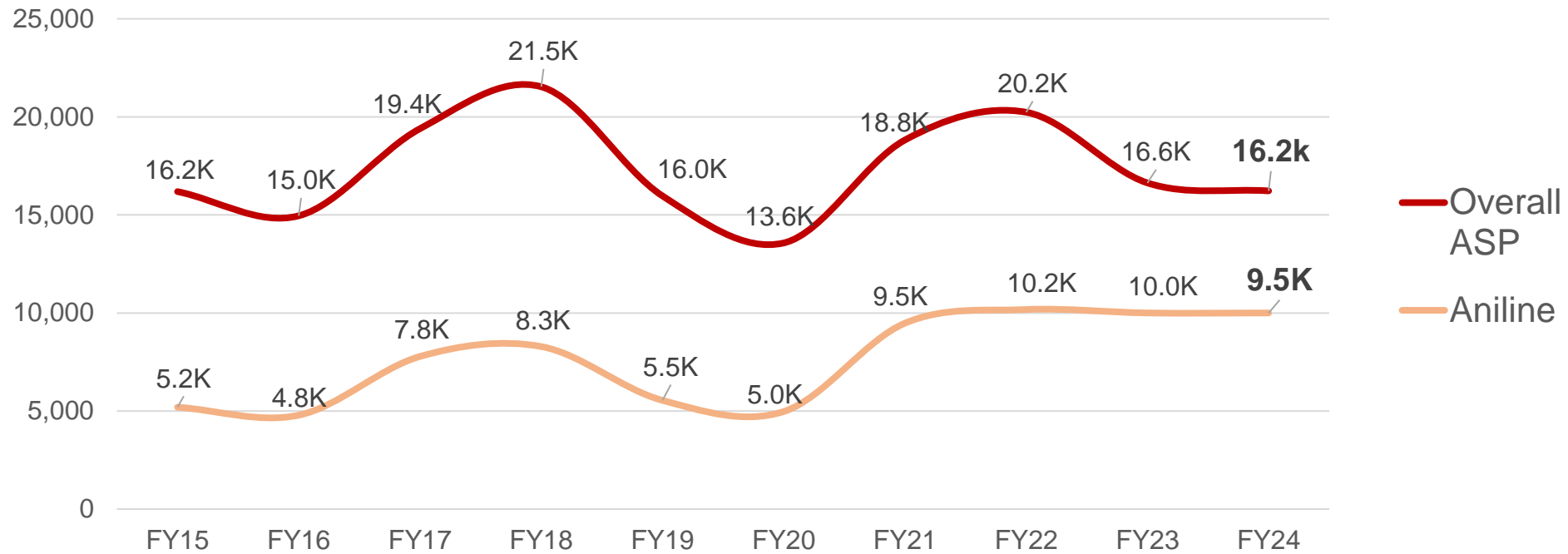
Capacity Utilisation Rate

	FY2024		FY2023	
	Sales Volume (Tonnes)	Utilisation Rate	Sales Volume (Tonnes)	Utilisation Rate
RA	107,426	92%	99,809	85%
IS	40,583	68%	40,655	68%
AO	64,285	83%	65,127	85%



Overall ASP vs Major Material Price

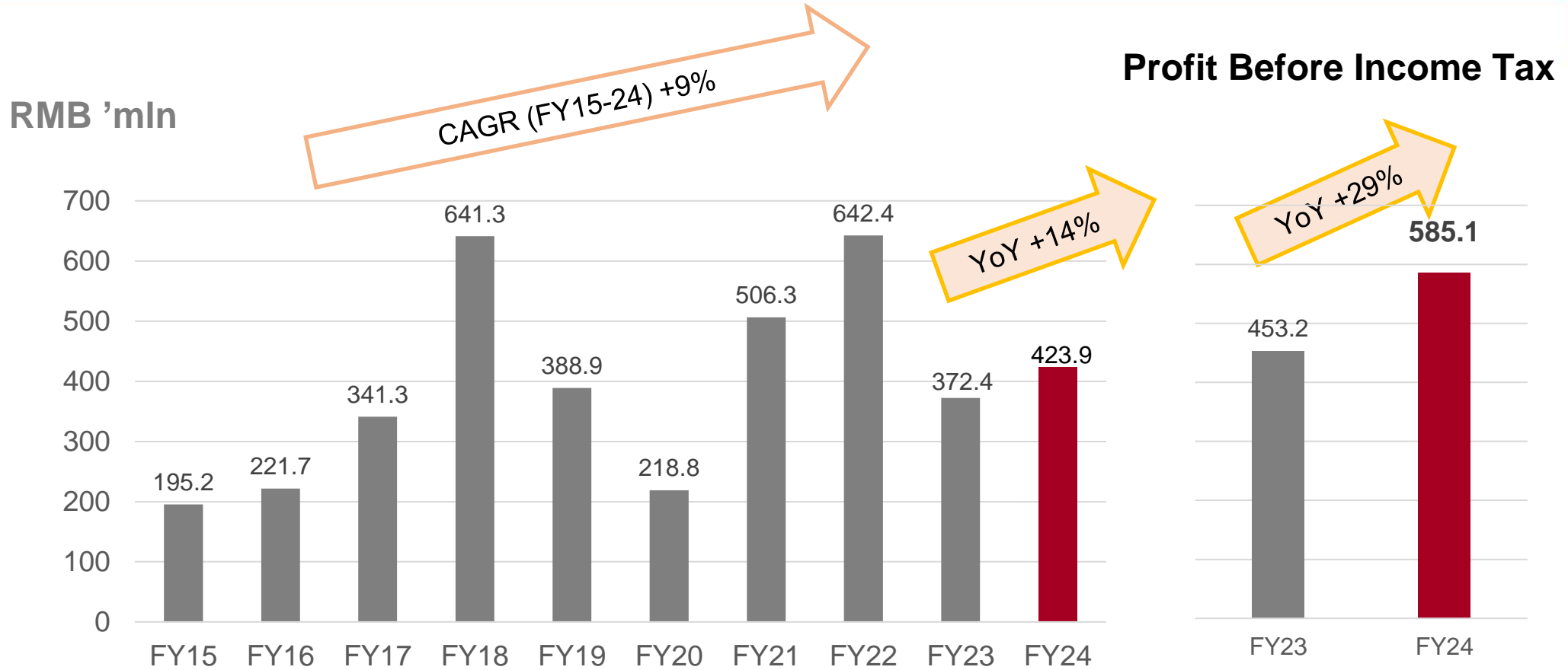
RMB/Tonne



- FY2024 ASP decreased by 2 % YoY dragged down by lower price in IS and AO
- ASP of RA, Sunsine's mainstay, more stable (2024: RMB 19.9K vs 2023: RMB 19.6K)



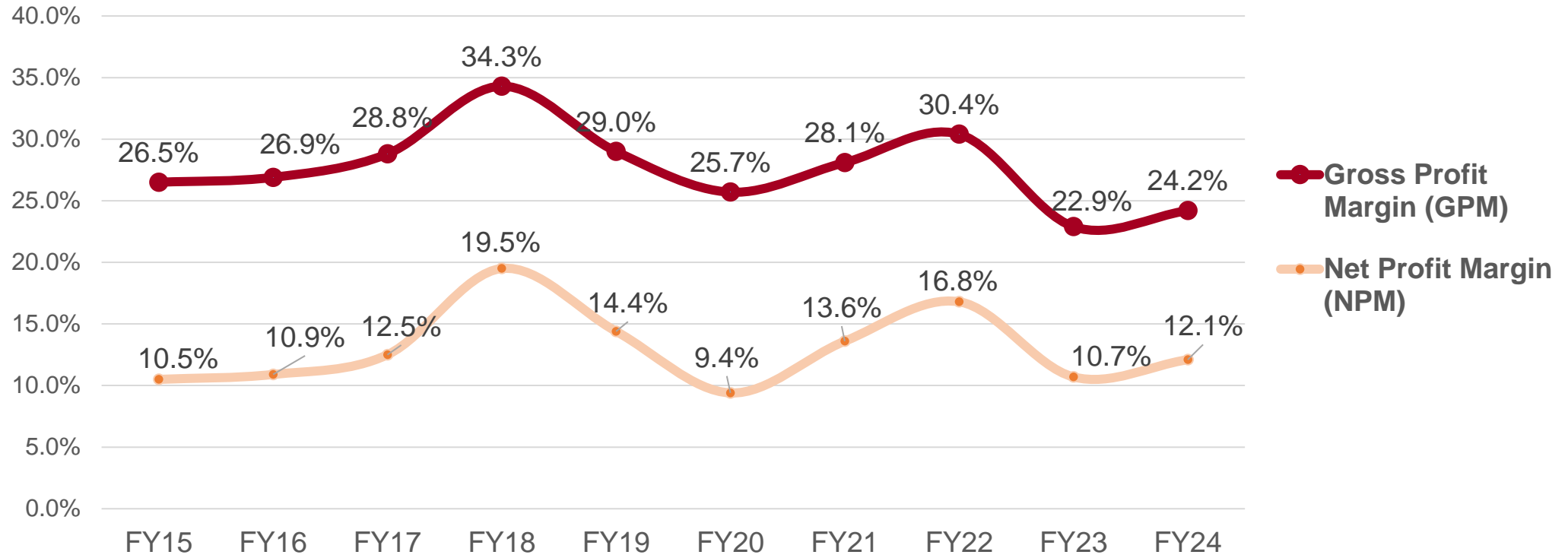
Net Profit



- Net profit achieved 14% growth despite a higher tax rate following the expiration of the “High-Tech Enterprise” status in December 2023.



Margin Analysis



Balance Sheet Highlight

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	31/12/2024	31/12/2023	31/12/2022
Current Assets (RMB'mln) *	3,574.0	3,314.8	3,149.8
Current Liabilities (RMB'mln)	470.3	459.2	532.7
Current Ratio	7.60	7.22	5.91
Shareholders' Equity (RMB'mln)	4,208.7	3,926.6	3,691.8
D/E ratio	0	0	0
ROE	10%	9%	17%
NAV per share (RMB cents) (equivalent to SGD cents)	441.45/ 83	409.34/ 77	382.32/ 72
Cash per share (RMB cents) (equivalent to SG cents)	217.53/ 41	175.96/ 33.33	143.13/ 27.11

- Current Assets incl cash: RMB 2,073.9 mln
- SGD to RMB exchange rate: 1: 5.3214



Key Developments

Expansion Projects in Progress

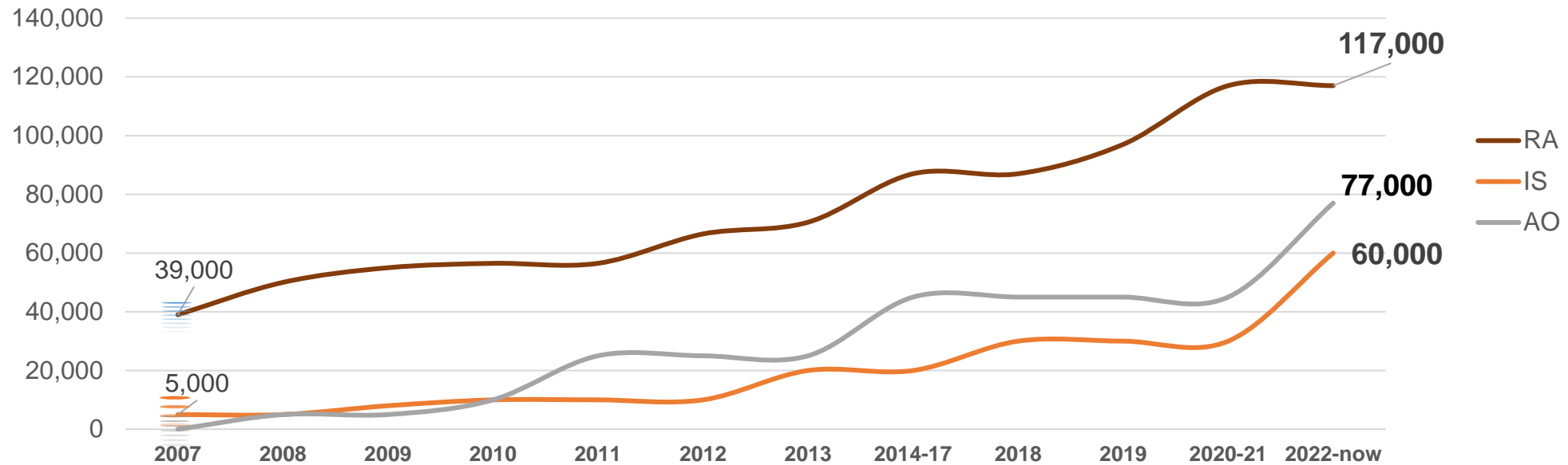
Project	Schedule	CapEx	Notes
60,000-tonne Insoluble Sulphur			<ul style="list-style-type: none"> Adopts continuous production method, the highest standard of production technology, which was developed in-house Awarded “First Prize of Scientific and Technological Progress” issued by CPCIF*
Phase 2 of 30,000-tonne capacity	Trial run in 1H2025	RMB 100 mln	
60,000-tonne Continuous production of High-Quality MBT (“MBT project”)			<ul style="list-style-type: none"> Innovative technology was jointly developed by our R&D team and Tsinghua University’s Academician team For this achievement, the Group was entitled to a government grant of RMB 24.36 mln
Phase I of 20,000-tonne capacity	Commercial production in 4Q2024	RMB 200 mln	
Phase II of 40,000-tonne capacity	To be announced		

*CPCIF: China Petroleum Chemical Industry Federation



Capacity Expansion History

Tonnes per annum



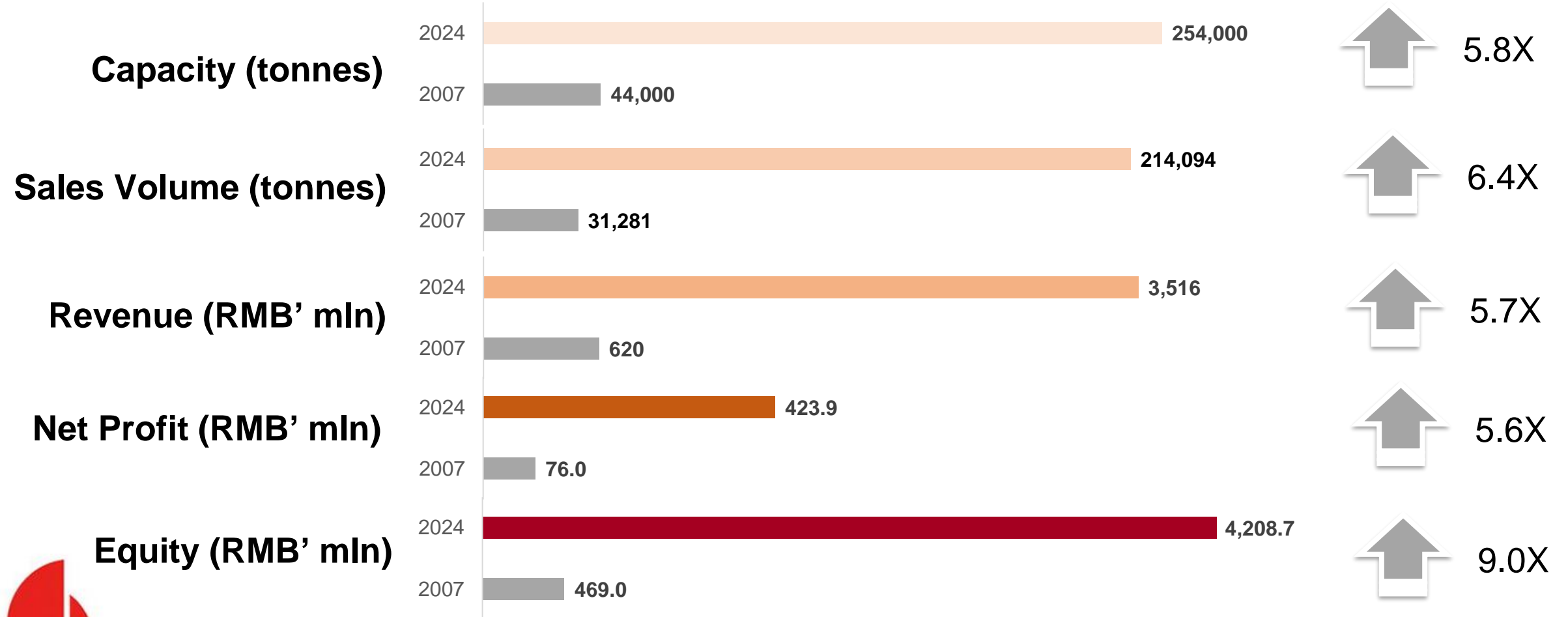
Note: Annual capacity refers to the capacity by the end of each financial year, and is exclusive of the capacity of intermediary materials such as MBT and 4ADPA

- **Organic Capacity Expansion:** - to meet growing market demand and increase market share.
- **Innovative Production Methods:** - Adopted automated, continuous production processes to achieve green production (environmentally friendly practices) and enhance operational efficiency and reduce waste.
- **MBT Self-Sufficiency:** - Strengthened competitive advantage by cost savings and reduced reliance on external suppliers.



A Journey of Remarkable Growth and Success

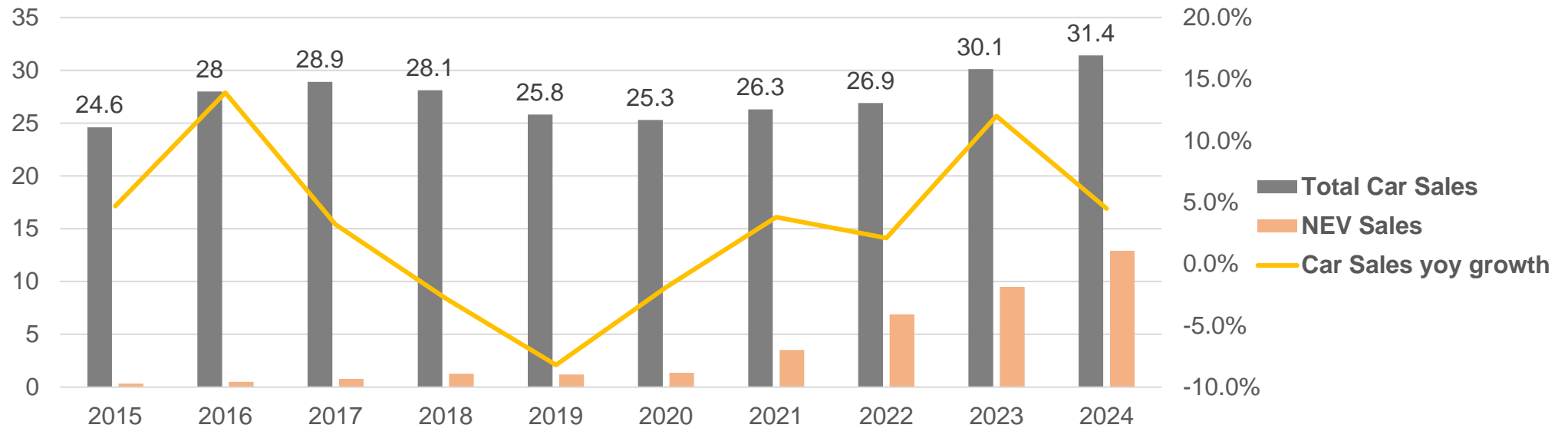
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Industry Info and Outlook

PRC New Car Sales

million units



Source: China Association of Automobile Manufacturers (CAAM)

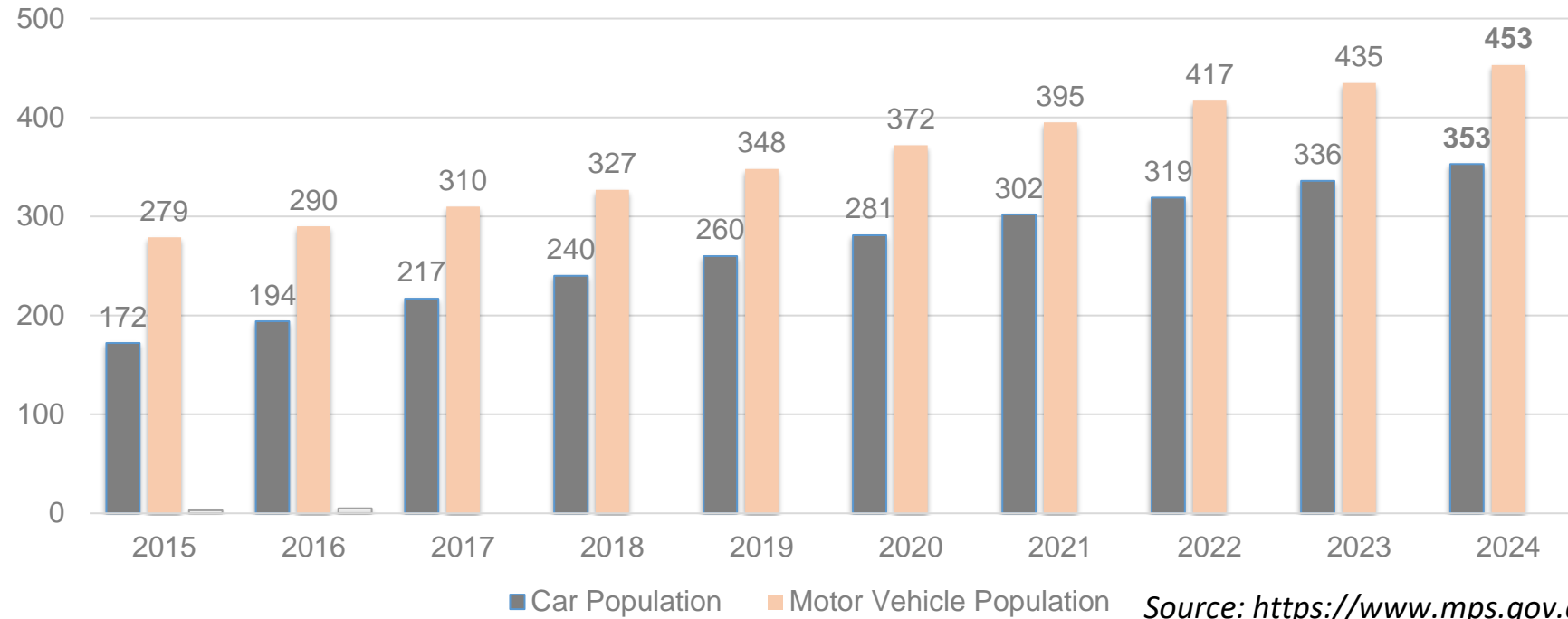
- **China's automotive sales grew 4.5% yoy**
Reached 31.4 million units, reflecting strong market demand.
- **New Energy Vehicles (NEVs) Accounted for 41% of New Car Sales**
This upward trend is expected to continue, driven by the Chinese government's incentives and commitment to promoting NEV development and reducing carbon emissions.



PRC Vehicle Population

PRC Motor Vehicle & Car Population
(中国机动车保有量和汽车保有量)

In mln units



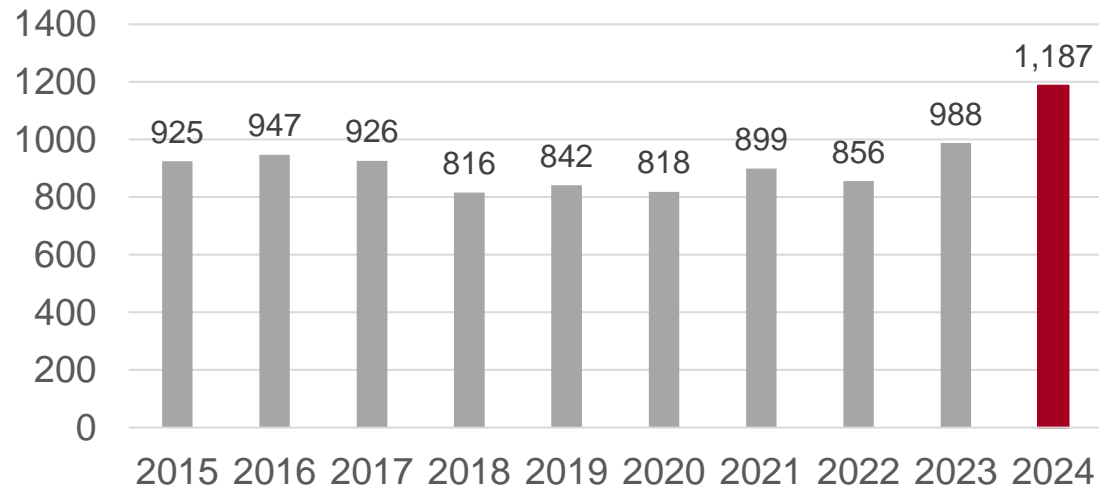
- China's total car population ranks No. 1 in the world
- Uptrend to continue as ownership of about 250 cars per 1,000 people in 2024, way below US's 837



Tire Industry Info

PRC Vehicle Tire Production

million units



Source: www.stats.gov.cn

The global tire market size reached **USD 172.98 Billion** in 2024. Looking forward, IMARC Group expects the market to reach **USD 270.66 Billion** by 2033, exhibiting a growth rate (CAGR) of **4.70%** during 2025-2033. Continuous technological advancements in the manufacturing of tires, along with the rising demand among individuals for eco-friendly and specialized tires, owing to the increasing environmental consciousness, are primarily bolstering the market growth.

-by IMARC Group



China is world's largest tire producer, with more than 40% of the global output



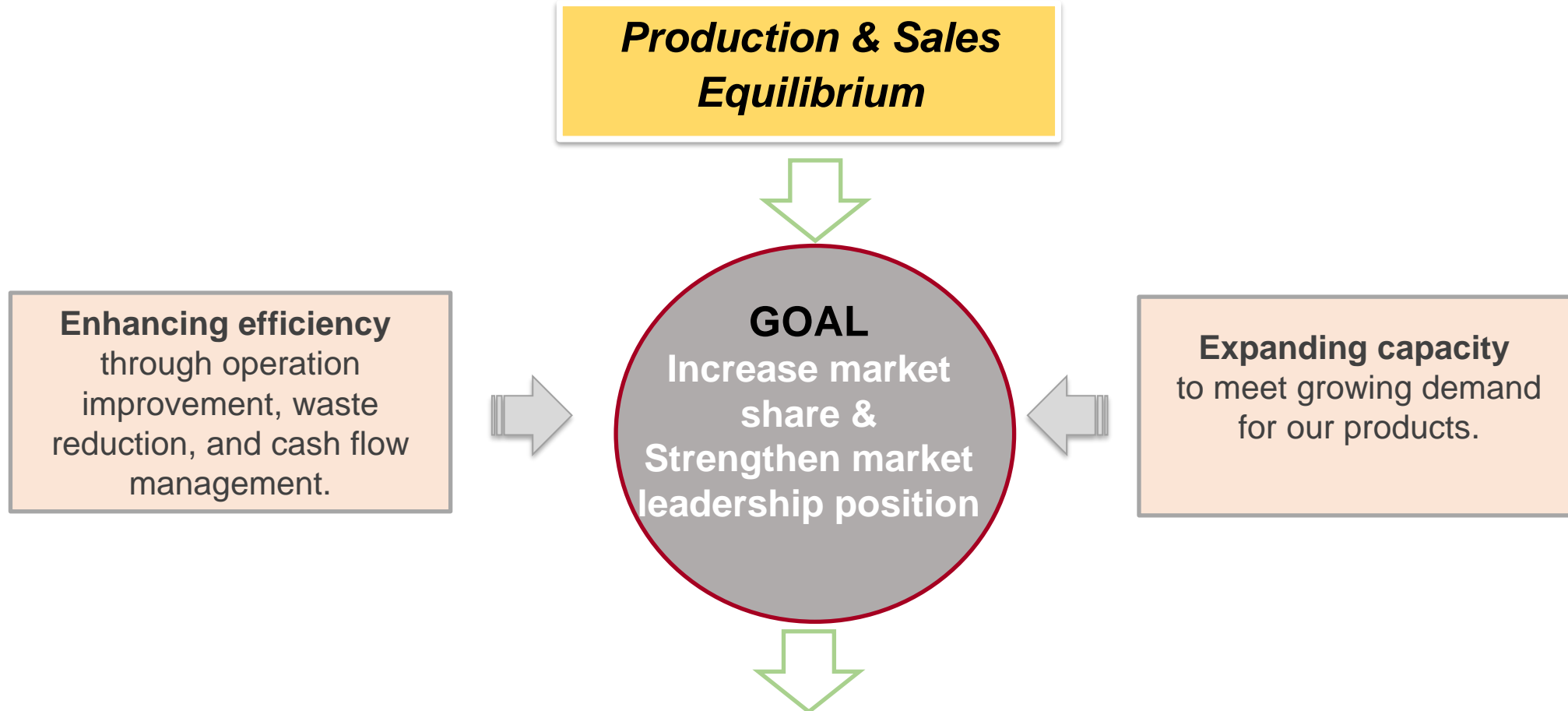
Operating Environment & Industry Outlook

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- **Greater challenges and uncertainties** in the macro-economic environment, such as escalation of trade war between US and China, rising geopolitical tensions
 - **Intensified market competition**, resulting from the overcapacity situation, is exerting significant pressure on our selling price
-
- **China's economy resilience.** The government focuses on boosting the domestic economy this year with targeted stimulus measures. It is expected these measures will support a gradual recovery of consumption and investment in 2025.
 - **Booming market demand** driven by strong auto market, rising NEV demand, and improving tire manufacturing utilisation
 - **Solid demand** from replacement tires (70% replacement vs 30% OEM)
 - **China remains the global leader** In rubber chemical and tire production



Group's Strategy



Achieving Long-term Sustainable Growth



Competitive Strengths

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- World largest RA and China's top IS producer
- Our RA products capture 35% of PRC market and 23% of global market
- Listed in the first batch of "National Champion Manufacturing Enterprise"

- Early adopter of Environmental protection initiative
- 1/3 of capex invested in environmental protection and safety

- Full range of essential rubber chemicals with superior quality
- Stable & consistent supply
- Largest capacity with economies of scale

- Transformation towards "Green, Automated, Continuous" production
- R&D collaboration with renowned universities

- Over 1,000 customers worldwide spanning over 40 countries
- Serving 3/4 of global top 75 tire manufacturers & 40% output exported

- Strong cash position
- Ready resources (funds, land) for further expansion



Listed On SGX Mainboard

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SHARE PERFORMANCE

China Sunshine Chemical Holdings Ltd. (QES.SI)
SES - Delayed Quote • SGD

0.4800 +0.0050 +1.05%
As of 2:37:10 PM GMT+8. Market Open.

☆ Follow

Comparisons Indicators Corporate Events Mountain

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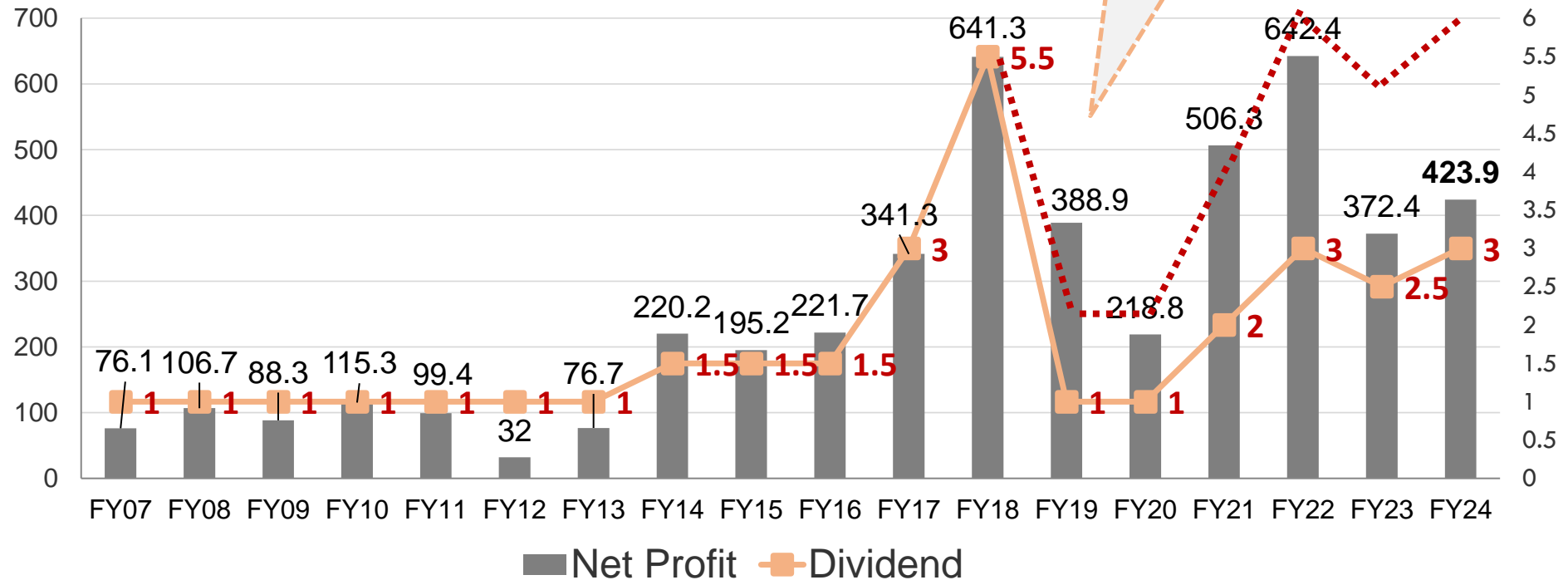
- Since IPO, no new share placement and rights issue



Dividend Payment History

Net Profit
(in RMB 'mln)

Dividend
(in SGD cents)

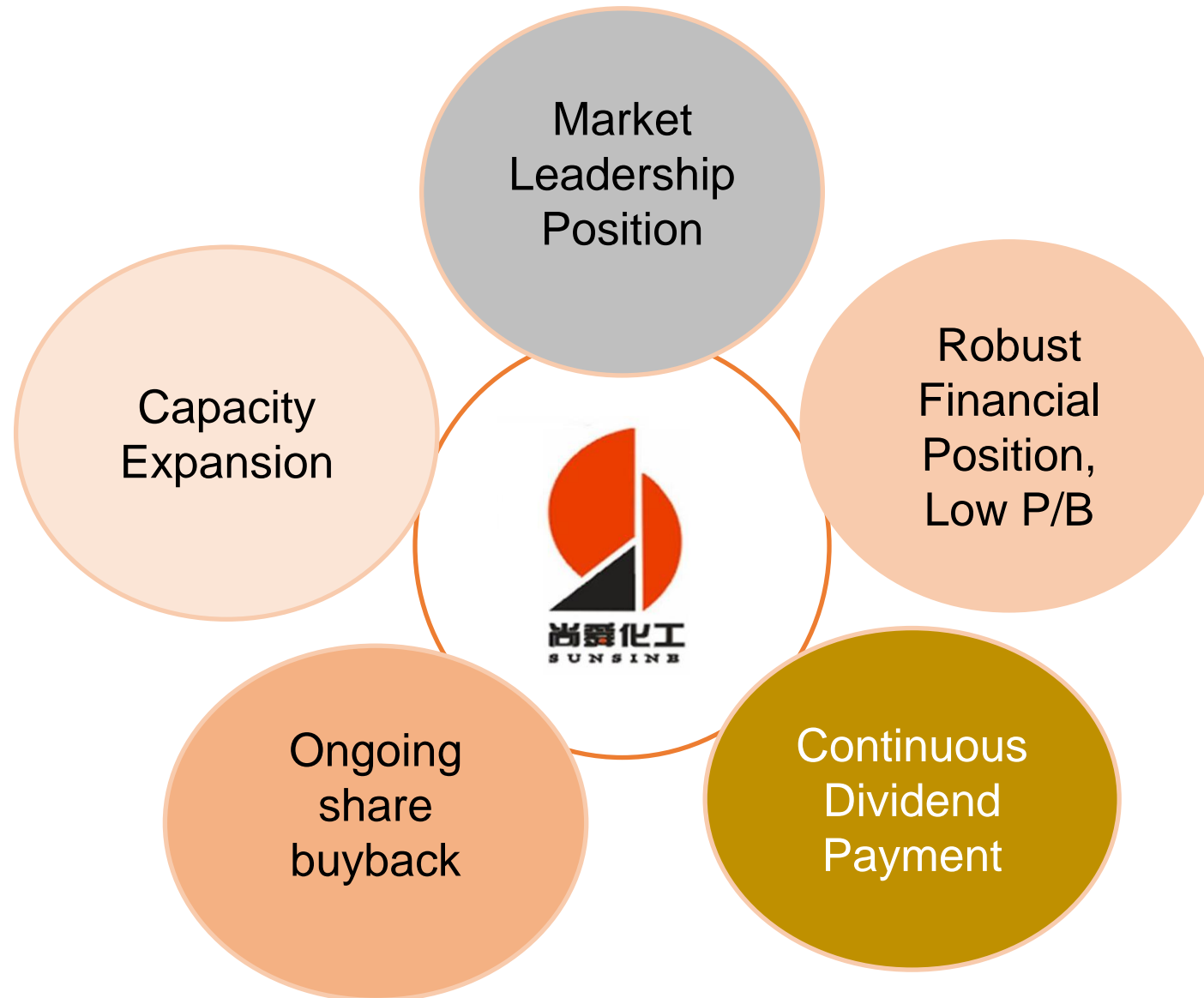


- Proposed SGD 0.03 per share dividend for FY2024, payout ratio at 36%

Total dividend paid amounting RMB 1,090 mln (2007-2025) vs IPO raised RMB264 mln in 2007



Investment Merits



Chairman's Message

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Despite global economic challenges and fierce competition, we are pleased with our solid performance in FY2024. China's auto industry remains robust, especially for New Energy Vehicles (NEV) sales. Many Chinese tire manufacturers are expanding overseas, boosting demand for rubber chemicals.

As we enter 2025, the global economy continues to face challenges and uncertainties, brought about by a high-interest rate environment, rising geopolitical tensions and a looming trade war. Locally, the Group continues to face strong competition in the rubber chemicals industry.

To boost its economy, China has introduced various stimulus policies, which have bolstered market confidence and expectations. The Chinese government's recent highly publicised support for the private sector is expected to shore up business confidence, stabilise market expectations and revitalize the growth of the Chinese economy, amid challenges and external uncertainties.

The Group will continue with its strategy of 'sales production equilibrium' and remains confident of its profitability and long-term sustainable growth."



Mr. Xu Chengqiu
Executive Chairman



Q & A

MEDIA/INVESTOR CONTACT

Tong Yiping, CFO, tongyiping@ChinaSunsine.com
Jennie Liu, IR Manager, jennie@ChinaSunsine.com

16 Raffles Quay #15-08
Hong Leong Building, Singapore
048581

Tel:(65) 6220 6686
www.ChinaSunsine.com