



**China SunSine Chemical Holdings Ltd.**

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尚善化工  
SUN SINE

Company Registration No.: 200609470N

## NEWS RELEASE

# China SunSine net profit reached RMB220.2 million for FY2014

- Recorded a net profit of RMB54.2 million in 4Q2014 compared to RMB17.5 million in 4Q2013
- FY2014 revenue achieved 22% growth to RMB2,077.3 million benefiting from continuous efforts on environmental protection over the years
- Market share further expands and sales volume records new high to 108,973 tons in FY2014
- Proposes a final one-tier tax exempt dividend of SGD1 cents per ordinary share and a special one-tier tax exempt dividend of SGD0.5 cents per ordinary share

SINGAPORE – 26 February 2015 - 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 report a sterling set of financial results for the fourth quarter and full year ended 31 December 2014 (“4Q2014” and “FY2014”, respectively) during a year of enforcement of stringent environmental regulation.

### Financial Highlights

RMB <sup>1</sup> million	Quarter Ended		Change	12 Months Ended		Change
	31 Dec 14	31 Dec 13		31 Dec 14	31 Dec 13	
Group Revenue	523.1	445.1	18%	2,077.3	1,695.9	22%
Gross Profit	166.7	88.3	89%	567.4	308.0	84%
Gross Profit Margin (GPM)	31.9%	19.8%	12.1pts	27.3%	18.2%	9.1 pts
Profit before tax	75.9	30.4	150%	302.5	117.9	157%
Net profit after tax	54.2	17.5	210%	220.2	76.7	187%
Sales Volume (tons)	26,699	26,141	2%	108,973	98,345	11%
EPS (RMB cents)	11.66	3.76	210%	47.31 <sup>1</sup>	16.49	187%
NAV per share (RMB cents) as of the period				217.23 <sup>2</sup>	174.74	24%

<sup>1</sup>Based on weighted number of shares: 465,504,000 shares, equivalent to 10.20 SGD cents at exchange rate of 4.6379

<sup>2</sup>Based on 465,504,000 shares (excluding treasury shares, equivalent to 46.84 SGD cents at exchange rate of 4.6379



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During the last three months ended 31 December 2014, the Group's revenue rose 18% to RM523.1 million compared to RMB445.1 million in 4Q2013, due to the increase in both average selling price (ASP) and sales volume.

ASP for all our products increased by 15% from RMB17,028 per ton a year ago to RMB19,592 per ton, mainly due to the short supply of accelerator products in the market. Sales volume also grew from 26,141 tons a year ago to 26,699 tons. Gross profit increased by 89% from RMB88.3 million in 4Q2013 to RMB166.7 million in 4Q2014. Gross profit margin (GPM) climbed sharply to 31.9% from 19.8% in 4Q2013.

4Q2014 net profit increased by 210% to RMB54.2 million compared to RMB17.5 million in 4Q2013 mainly due to increase in sales revenue and GPM, hitting a new record high.

Since 2014, when the Chinese government implemented stringent environmental protection policy, a number of factories which failed to meet the environmental standards had to shut down their productions. This caused a significant increase of MBT and other accelerators' market price. Riding on the short supply situation and the strong demand for our main product - rubber accelerators, the Group achieved a significant growth in revenue and net profit in FY2014.

Based on the full year results, revenue increased by 22% to RMB2,077.3 million compared to RMB1,695.9 million in FY2013 while sales volume grew 11% year-on-year to 108,973 tons. ASP for all products increased by 11% to RMB19,062 per ton compared to RMB17,245 per ton in the previous year. The overall GPM for FY2014 improved 9.1 points from 18.2% in FY2013 to 27.3%.

The Group's FY2014 net profit surged 187% to RMB220.2 million from RMB76.7 million in FY2013.



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### Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	4Q14	4Q13	FY14	FY13	4Q14	4Q13	FY14	FY13
Accelerators	18,429	18,995	76,089	72,710	407.6	346.2	1,614.5	1,343.5
Insoluble sulphur	2,926	2,951	12,102	11,948	31.2	34.0	134.4	137.7
Anti-oxidant	5,145	3,820	19,903	12,281	80.6	57.7	310.8	189.2
Others	199	375	879	1,406	3.7	7.2	17.6	25.5
<b>Total</b>	<b>26,699</b>	<b>26,141</b>	<b>108,973</b>	<b>98,345</b>	<b>523.1</b>	<b>445.1</b>	<b>2,077.3</b>	<b>1,695.9</b>
Local Sales	17,768	18,289	71,459	67,391	322.4	296.5	1,273.0	1,090.7
International Sales	8,931	7,852	37,514	30,954	200.7	148.6	804.3	605.2

During the year, total sales volume increased by 11% to 108,973 tons, another record high. Sales volume for anti-oxidant (including 6PPD and TMQ) grew a significant 62% with contributions mainly from the 6PPD product which is receiving more accreditation from our local customers. Sales volume for accelerators and Insoluble Sulphur (IS) also increased by 5% and 1% to 76,089 tons and 12,102 tons respectively.

In FY2014, the Group continued to gain more market share in the domestic market. International sales volume increased mainly due to improved sales to Asia Pacific countries.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *“Benefitting from our continuous emphasis on environmental issues and implementation of high environmental protection standards over the years, I am pleased that the Group has achieved record net profits for FY2014, thanks to all the efforts that our management and staff have put in throughout the financial period. With the new Environmental Protection Law coming into force in 2015, there may be further consolidation in the rubber chemicals industry in China. However, due to US’s anti-dumping and countervailing measures against China’s tire makers, as well as the over-capacity and under-utilisation issues which have continued to plague the China tire industry, we expect that demand for our rubber chemical products may be affected in 2015.”*



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*“Facing both opportunities and challenges, I believe we are well-placed to grab more market share by taking advantage of our scaled-up capacity and quality products and services, to further strengthen our market leader position. With more accreditation for our anti-oxidant 6PPD product from most of our major customers, 6PPD is expected to contribute further to our revenue growth, supported by another 15,000-ton per annum capacity built in this year. We remain cautiously positive on the profitability and outlook for the next 12 months.”* Mr Xu added.

Based on its latest FY2014 results, the Group’s earnings per share was RMB47.31 cents. The Group’s financial position remains healthy. Its total cash and cash equivalents amounted to RMB122.8 million with net assets per share of RMB217.23 cents as at 31 December 2014.

### Expansion Plan Update

During the year, the Group completed the following new and expansion projects:

- New heating plant was completed and commenced commercial production at the end of the year
- Completion of Phase 2 Antioxidant 6PPD project with another 15,000-ton per annum capacity
- Completion of expansion of accelerator MBTS with another 4,000-ton per annum capacity
- Re-activated and built up a new DCBS facility bringing the total capacity of DCBS to 8,000-ton per annum

Update of our production capacity is set out below:

Tons	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015e
Accelerators	56,500	56,500	66,500	70,500	87,000	87,000
Insoluble Sulphur	10,000	10,000	10,000	20,000	20,000	20,000
Anti-oxidant	10,000	25,000	25,000	25,000	45,000	45,000
<b>Total</b>	<b>76,500</b>	<b>91,500</b>	<b>101,500</b>	<b>115,500</b>	<b>152,000</b>	<b>152,000</b>

The Board of Directors is pleased to recommend a final one-tier tax exempt dividend of 1 Singapore cent per ordinary share plus a special one-tier tax exempt dividend of 0.5



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Singapore cent per ordinary share to reward our shareholders for their continued support and confidence in us.

- 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 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 60% of the Global Top 75 tiremakers, 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.

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

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