



**China SunSine Chemical Holdings Ltd.**

112 Robinson Road #12-04 Singapore 068902

Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

## NEWS RELEASE

# China SunSine posts strong net profit of RMB209.3 million for FY2015

- 4Q2015 net profit rises 10% to RMB59.6 million compared to RMB54.2 million in 4Q2014 but full year earnings decline 5% to RMB209.3 million
- Total sales volume for FY2015 at a record high to 114,572 tons due to higher sales volume of insoluble sulphur and anti-oxidant products
- Proposes a final one-tier tax exempt dividend of SGD0.01 per ordinary share and a special one-tier tax exempt dividend of SGD0.005 per ordinary share

SINGAPORE – 29 February 2016 - 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 satisfactory set of financial results for the fourth quarter as well as the full year ended 31 December 2015 (“4Q2015” and “FY2015”, respectively) during a year of enforcement of stringent environmental regulation and lower average selling prices for its products.

### Financial Highlights

RMB' million	Quarter Ended		Change	12 Months Ended		Change
	31 Dec 15	31 Dec 14		31 Dec 15	31 Dec 14	
Group Revenue	453.8	523.1	(13%)	1,859.1	2,077.3	(11%)
Gross Profit	106.6	166.7	(36%)	492.0	567.4	(13%)
Gross Profit Margin (GPM)	23.5%	31.9%	(8.4 pts)	26.5%	27.3%	(0.8pts)
Profit before tax	81.0	75.9	7%	287.5	302.5	(5%)
Net profit after tax	59.6	54.2	10%	209.3	220.2	(5%)
Sales Volume (tons)	29,045	26,699	9%	114,572	108,973	5%
EPS (RMB cents)	12.80	11.66	10%	44.95 <sup>1</sup>	47.31	(5%)
NAV per share (RMB cents) as of the period				255.51 <sup>2</sup>	217.23	18%

<sup>1</sup>Based on weighted number of shares: 465,504,000 shares, equivalent to 9.80 SGD cents at exchange rate of 4.5879

<sup>2</sup>Based on weighted number of shares: 465,504,000 shares, equivalent to 55.69 SGD cents at exchange rate of 4.5879



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During the last quarter ended 31 December 2015, the Group's revenue fell 13% to RMB453.8 million compared to RMB523.1 million in 4Q2014, mainly due to decrease in overall average selling price (ASP).

The decrease in ASP was mainly due to the significant drop in raw material prices, especially Aniline. During the year, the average purchase price of Aniline decreased by more than 30% compared to its price a year ago. In 4Q2015, the ASP for all our products decreased 21% from RMB19,592 per ton a year ago to RMB15,566 per ton. Based on a quarter to quarter comparison, the ASP was RMB16,281 per ton in 3Q2015. On a 12-month basis, the ASP decreased by 15% to RMB16,190 per ton in FY2015 as compared with RMB19,062 per ton in FY2014.

Sales volume across all products, however, increased in 4Q2015 mainly due to two reasons: (i) the Group increased its marketing efforts to promote sales, and (ii) as some competitors failed to comply with the increasingly stringent environmental protection measures implemented by the China government, their productions had been affected, which resulted in more orders being directed to the Group. Both domestic sales and international sales volume increased as a result.

Gross profit decreased by 36% from RMB166.7 million in 4Q2014 to RMB106.6 million in 4Q2015. The average gross profit margin (GPM) also decreased 8.4 percentage points from 31.9% in 4Q2014 to 23.5% in 4Q2015 due mainly to the decrease in ASP.

On a 12-month basis, gross profit decreased 13% from RMB567.4 million in FY2014 to RMB492.0 million in FY2015 and GPM decreased 0.8 percentage points from 27.3% to 26.5%.

With the decrease in operating expenses and the increase in other income, net profit attributable to shareholders increased by 10% to RMB59.6 million in 4Q2015 from RMB54.2 million in 4Q2014, but on a 12-month basis, net profit decreased by 5% to RMB209.3 million in FY2015 from RMB220.2 million in FY2014.



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### Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	4Q15	4Q14	FY15	FY14	4Q15	4Q14	FY15	FY14
<b>Rubber Chemical</b>								
Accelerators	19,014	18,429	76,090	76,089	343.7	407.6	1,405.1	1,614.5
Insoluble sulphur	4,304	2,926	15,417	12,102	41.3	31.2	152.7	134.4
Anti-oxidant	5,401	5,145	21,640	19,903	61.3	80.6	271.9	310.8
Others	326	199	1,425	879	5.8	3.7	25.2	17.6
<b>Total</b>	<b>29,045</b>	<b>26,699</b>	<b>114,572</b>	<b>108,973</b>	<b>452.1</b>	<b>523.1</b>	<b>1,854.9</b>	<b>2,077.3</b>
Local Sales	19,930	17,768	78,226	71,459	282.0	322.4	1,170.9	1,273.0
International Sales	9,115	8,931	36,346	37,514	170.1	200.7	684.0	804.3
<b>Heating Power</b>	10,628	-	25,180	-	1.7	-	4.2	-

During the year, annual sales volume of accelerators remained at the same level as last year, but sales volume of insoluble sulphur and anti-oxidant products increased by 27% and 9% respectively. As a result, total sales volume for FY2015 reached a new record high to 114,572 tons, an increase of 5% compared to 108,973 tons in FY2014.

The Group's annual domestic sales volume increased but international sales volume decreased mainly due to the Group not accepting certain overseas orders with prices that were too low.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *"We are still operating in a complicated environment in China: slowdown of economic growth, overcapacity situation in the rubber chemical industry but steady growth of car sales. Continuing to benefit from the implementation of high environmental protection standards over the years, the Group achieved satisfactory profits in FY2015 of RMB209 million. On the whole, the economic environment in 2016 remains uncertain and the competition may become more intense. Our selling prices may still be under pressure due to the prices of raw materials remaining at low levels. However, the Group remains positive on its profitability for FY2016."*

Based on its latest FY2015 results, the Group's earnings per share was RMB44.95 cents. The Group's financial position remains healthy, with total cash and cash equivalents



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amounting to RMB341.2 million. Net assets per share amounted to RMB255.51 cents per share as at 31 December 2015.

Update of our production capacity is set out below:

Tons	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016e
Accelerators	56,500	66,500	70,500	87,000	87,000	87,000
Insoluble Sulphur	10,000	10,000	20,000	20,000	20,000	20,000
Anti-oxidant	25,000	25,000	25,000	45,000	45,000	45,000
<b>Total</b>	<b>91,500</b>	<b>101,500</b>	<b>115,500</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>

To reward our shareholders, the Board of Directors is recommending a final one-tier tax exempt dividend of SGD0.01 per ordinary share and a special one-tier tax exempt dividend of SGD0.005 per ordinary share.

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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:

**Tong Yiping**, Group Financial Controller, tongyiping@ChinaSunsine.com  
**Jennie Liu**, IR Manager, jennie@ChinaSunsine.com  
Tel: (65) 6220 9070 Fax: (65) 6223 9177