

**China Sunsine Chemical Holdings Ltd.**

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine reported a RMB 47.4 million net profit in 1Q2015

- Revenue increased to RMB432.1 million and sales volume increased to 25,377 tons, backed by continuous marketing efforts
- Gross profit margin increased due to lower raw material costs

SINGAPORE – 27 April 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 announce that the Group achieved a net profit of RMB47.4 million for the first quarter ended 31 March 2015 (1Q2015).

Financial Highlights

RMB' million	Quarter Ended		Change
	31 Mar 15	31 Mar 14	
Group Revenue	432.1	427.3	1%
Gross Profit	137.0	82.0	67%
Gross Profit Margin (GPM)	31.7%	19.2%	12.5pts
Profit before tax	62.5	31.2	100%
Net profit after tax	47.4	22.8	108%
Sales Volume (tons)	25,377	23,899	6%
EPS (RMB cents)	10.18 ¹	4.91	107%
NAV per share (RMB cents) as of the period	227.45 ²	179.71	27%

In 1Q2015, our revenue increased to RMB 432.1 million compared to RMB 427.3 million in 1Q2014. This was attributed to the growth in sales volume due to increased marketing efforts, partially offset by the decrease in Average Selling Price (ASP). 1Q2015 sales volume reached 25,377 tons from 23,899 tons in 1Q2014. The Group's

¹ Based on weighted number of shares: 465,504,000 shares, equivalent to SGD 2.29 cents at exchange rate of 4.4452

² Based on 465,504,000 shares (excluding treasury shares), equivalent to SGD 51.17 cents at exchange rate of 4.4452

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overall ASP for all products decreased by 5% to RMB 17,009 per ton compared to RMB 17,881 per ton in 1Q2014 mainly due to the decrease in the raw material prices.

The overall gross profit increased 67% to RMB 137.0 million in 1Q2015 and gross profit margin (ōGPMö) for the quarter climbed to 31.7% compared to 19.2% in 1Q2014. This was mainly due to the significant drop in the raw material prices, in particular, Aniline, which was more than 40% lower than its price in 1Q2014.

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMBømillion)	
	1Q2015	1Q2014	1Q2015	1Q2014
Rubber Chemical				
Accelerators	17,788	17,039	336.9	329.4
Insoluble sulphur	3,144	2,596	32.1	30.0
Anti-oxidant	4,220	4,002	58.4	62.8
Others	225	262	4.2	5.1
Total	25,377	23,899	431.6	427.3
Domestic Sales	17,040	14,661	261.0	244.1
International sales	8,337	9,238	170.6	183.2
Heating Power	2,715	-	0.5	-

During the quarter, total sales volume increased by 6% due to our continuous marketing efforts. Domestic sales volume increased, while international sales volume declined. This was mainly due to some overseas orders with lower prices not being taken up by the Group. Our new heating plant sold 2,715 tons of steam to a third party in 1Q2015.

Commenting on the Group's performance, Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *“Despite China’s economic growth weakening to 7%, US’s anti-dumping and countervailing measures against China tire makers, as well as over-capacity and under-utilisation issues faced by the China tire industry, I am pleased that the Group was still able to maintain our high gross profit margin during this quarter. China’s auto market maintained its sales growth momentum, grossing 6.15 million in the first quarter of 2015, up 3.9% year-on-year. With the new Environmental Protection Law of China coming into force in the beginning of 2015,*



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we expect to see further consolidation in the rubber chemicals industry in China. However, as more competitors adjust to the new regulations and compliance standards over time, the market supply of accelerators will progressively increase. As international crude oil prices have remained depressed, which has resulted in our raw material prices remaining at low levels, our selling prices may increasingly come under pressure. However, given our strong market leadership position, we are confident of facing any challenges ahead.”

Based on its 1Q2015 results, the Group's earnings per share was RMB 10.18 cents. Its total cash and bank balances amounted to RMB 234.2 million with net assets per share of RMB 227.45 cents as at 31 March 2015.

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

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
Total	76,500	91,500	101,500	115,500	152,000	152,000

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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 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 ISO9001:2000 standard for quality, ISO14001:2004 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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