



China Sunsine Chemical Holdings Ltd.
16 Raffles Quay #15-08, Hong Leong Building, Singapore 048561
Tel: (65) 6220 6686 Web: www.ChinaSunsine.com

Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine posts net profit of RMB 188.8 million in 1H2024 with higher sales volume y-o-y

- 1H2024 revenue increased slightly by 1% y-o-y to RMB 1,749.1 million mainly due to the rise in sales volume, offset by a decrease in Average Selling Price (“ASP”)
- Sales volume increased by 6% to 105,464 tonnes in 1H2024, driven by higher production utilisation rates amongst the Chinese tyre manufacturers and the Group’s continued adoption of a more flexible pricing strategy
- Profit before income tax increased by 14% to RMB 268.1 million compared to 1H2023, mainly due to higher gross profit and lower administrative expenses
- Strong financial position with no debt. NAV per share stood at SGD 0.79 and net cash per share is at SGD 0.35

SINGAPORE – 13 August 2024 - 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 unaudited financial results for the first half ended 30 June 2024 (“1H2024”).

Financial Highlights

RMB' million	6 Months Ended		Change
	30 June 24	30 June 23	
Group Revenue	1,749.1	1,729.1	1%
Gross Profit	433.6	412.0	5%
Gross Profit Margin (GPM)	24.8%	23.8%	1 pts
Profit before income tax	268.1	236.1	14%
Net profit after tax	188.8	194.6	(3%)



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Sales Volume (tonnes)	105,464	99,748	6%
EPS (RMB cents)	19.71¹	20.17	(2%)
NAV per share (RMB cents) as of the period	416.22²	389.98	
Cash and bank balance	1,750.7³	1,475.2	

In 1H2024, the Group's revenue increased slightly by 1%, rising from RMB 1,729.1 million in 1H2023 to RMB 1,749.1 million. This growth was primarily driven by higher sales volume, partially offset by a decrease in the ASP.

The ASP decreased by 4%, from RMB 17,093 per tonne in 1H2023 to RMB 16,393 per tonne in 1H2024. This decline was attributed to the ongoing implementation of a flexible pricing strategy to address intensified competition.

Gross profit increased by 5%, rising from RMB 412.0 million in 1H2023 to RMB 433.6 million in 1H2024. The average gross profit margin (“GPM”) improved by 1.0 percentage point, from 23.8% in 1H2023 to 24.8% in 1H2024.

Profit Before Income Tax (“PBIT”) also rose by 14%, from RMB 236.1 million in 1H2023 to RMB 268.1 million in 1H2024, primarily due to the increase in the Group’s gross profit and a decrease in administrative expenses.

However, Net Profit decreased by 3%, from RMB 194.6 million in 1H2023 to RMB 188.8 million in 1H2024. This decrease is attributed to a 91% increase in income tax expense, from RMB 41.5 million in 1H2023 to RMB 79.3 million in 1H2024.

¹Based on weighted number of shares: 957,848,000 shares, equivalent to SGD 3.73 cents at exchange rate of 5.2790

²Based on number of issued shares: 955,864,000 shares as at 30 June 2024, equivalent to SGD 78.84 cents at exchange rate of 5.2790

³Equivalent to SGD 332 million at the exchange rate of 5.2790



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The High-Tech Enterprise (“**High-Tech**”) status of the Group’s main subsidiary, Shandong SunSine, expired in December 2023. As a result, it is no longer eligible for the 15% concessionary tax rate. The Group is currently conducting a self-assessment and will decide whether to re-apply for High-Tech status for Shandong SunSine. In the meantime, Shandong SunSine is accruing and paying income tax at the standard rate of 25%.

Analysis of Sales and Volume

	Sales Volume (Tonnes)		Sales (RMB'million)	
	1H2024	1H2023	1H2024	1H2023
Rubber Chemical				
Accelerators	52,636	46,789	1,043.4	928.4
Insoluble Sulphur	19,247	19,906	120.8	132.8
Anti-oxidant	32,755	32,457	551.4	633.6
Others	826	596	13.3	10.2
Total	105,464	99,748	1,728.9	1,705.0
<i>Local Sales</i>	<i>62,383</i>	<i>63,788</i>	<i>970.4</i>	<i>1,043.7</i>
<i>International Sales</i>	<i>43,081</i>	<i>35,960</i>	<i>758.5</i>	<i>661.3</i>
Heating Power	34,198	29,384	9.1	8.3
Waste treatment	6,151	7,692	11.1	15.8

The Group’s sales volume in 1H2024 grew by 6% from 99,748 tonnes in 1H2023 to 105,464 tonnes, mainly due to increased sales volume in Accelerators. The increase was contributed by the Group's consistent and robust marketing efforts and the relatively high production utilisation rates amongst the Chinese tyre manufacturers in 1H2024.



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Domestic sales volume decreased slightly by 2%, while international sales volume surged by 20%. This surge was mainly due to Chinese tyre manufacturers establishing plants in Southeast Asia, leading to an increase in orders from the Southeast Asian market.

The Group's financial position remains strong and robust with cash holdings of RMB 1,750.7 million and no debt. Based on the latest 6 months' results, the Group's earnings per share was RMB 19.71 cents in 1H2024. Net assets per share amounted to RMB 416.22 cents as of 30 June 2024.

Commenting on the Group's performance in 1H2024, Executive Chairman Mr Xu Cheng Qiu (徐承秋) says, *"I am glad that the Group achieved a satisfactory set of results for 1H2024 in such a challenging and uncertain market."*

The global economy continues to face challenges and uncertainties, while locally raw material prices are moderating, production utilisation rates of tyre manufacturing companies are declining starting from July 2024, and the Group continues to face strong competition in the rubber chemicals industry.

However we have also observed that more Chinese tyre manufacturing companies are setting up factories overseas, leading to increased orders for our products.

Nevertheless, the Group will continue with its strategy of 'Sales-Production Equilibrium', focus on fulfilling customer needs, and seek to improve its sales volume. We remain confident in the Group's profitability over the next 12 months."

Expansion Project Updates

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

The Group is in the process of installation of machinery. The management expects the Phase II IS project to be completed by the end of 2024.



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2. Phase I 20,000-tonne per annum Continuous Production of High Quality MBT Project

The project is still under trial run. The management expects the trial run will be completed in 3Q2024, and commercial production to commence in 4Q2024.

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