



尚舜化工  
SUN SINE

CHINA SUNSINE CHEMICAL HOLDINGS LTD.



# RESILIENT FOCUSED FORWARD

ANNUAL REPORT 2025

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China Sunsine Chemical Holdings Ltd. (“**China Sunsine**”) is a leading specialty chemical producer. It is the world’s largest producer of rubber accelerators and one of the largest rubber chemicals enterprises in the People’s Republic of China (“**PRC**” or “**China**”).

Our production facilities are located in Shanxian and Weifang, Shandong Province, the PRC. We have a total production capacity of 254,000 tonnes per annum, comprising 117,000 tonnes of rubber accelerators, 60,000 tonnes of insoluble sulphur, and 77,000 tonnes of anti-oxidants. We also operate a centralised heating plant in Shanxian that generates steam and electricity.

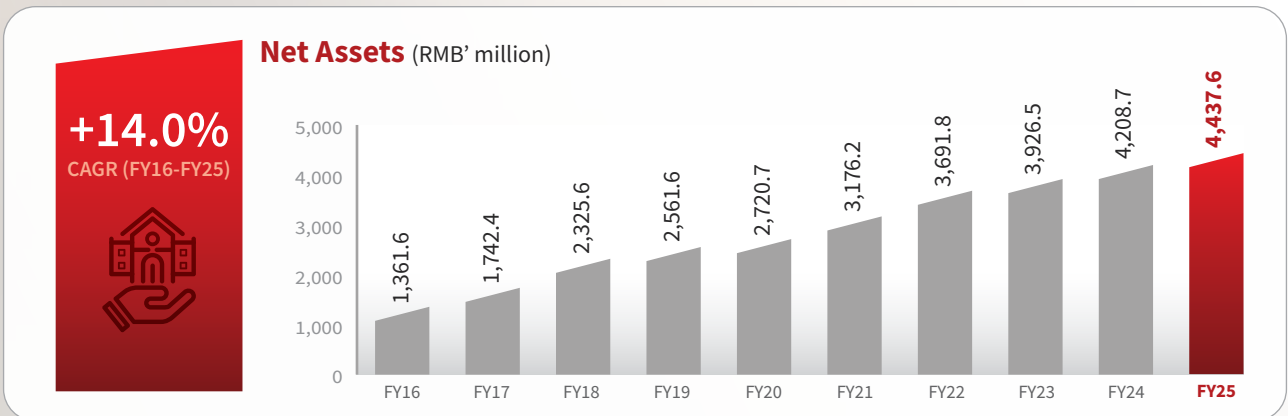
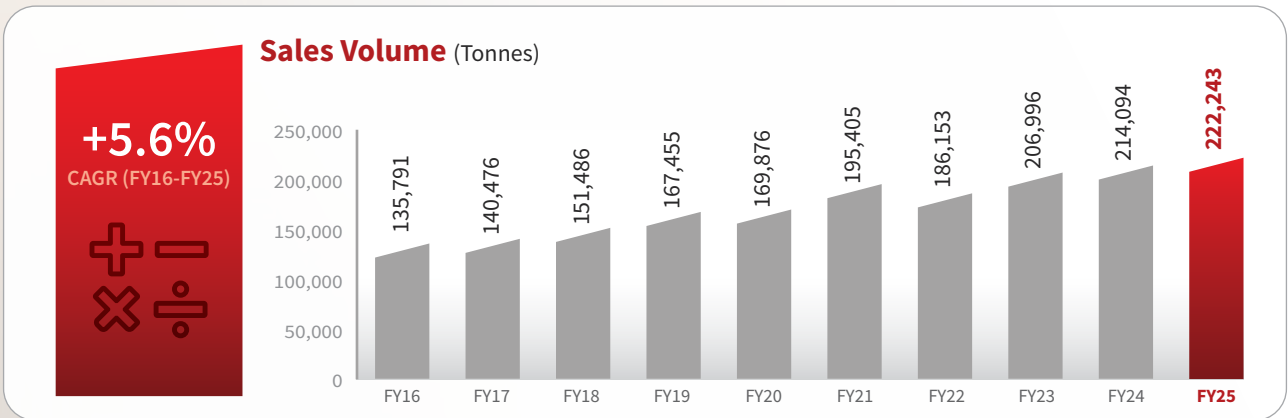
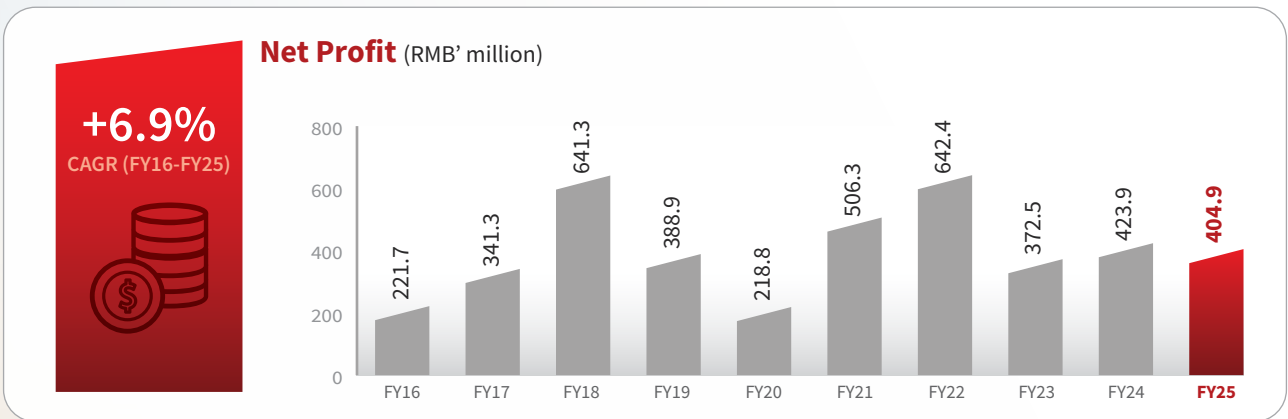
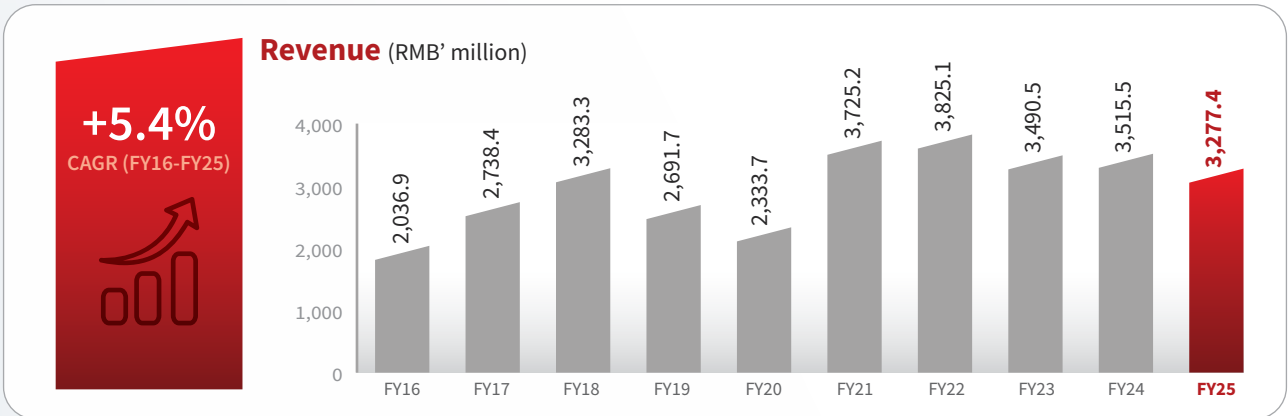
Our products are marketed under the “**Sunsine**” brand, which has been recognised as a “**Shandong Province Famous Brand**.” Our customers are primarily tire manufacturers serving the automotive industry. We have over 1,000 customers worldwide and continue to serve more than three-quarters of the Global Top 75 tire makers, including Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tire, as well as leading PRC tire manufacturers such as Hangzhou Zhongce, Giti Tire, and Shanghai Double Coin Tyre.

As a chemical producer serving global customers, China Sunsine is committed to continuously enhancing its manufacturing capabilities and environmental performance. We have adopted automated and continuous production processes to support greener production, improve operational efficiency, and reduce waste. Our operations are certified to GB/T 19001-2016 / ISO 9001:2015 (quality management), GB/T 24001-2016 / ISO 14001:2015 (environmental management), and GB/T 45001-2020 / ISO 45001:2018 (occupational health and safety management systems).

China Sunsine’s wholly-owned subsidiary, Shandong Sunsine Chemical Co., Ltd., was included in the first batch of “Manufacturing Single Champion Enterprises” by the Ministry of Industry and Information Technology of China in January 2017.

China Sunsine was listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 5 July 2007.

# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS

	2025	2024	2023	2022	2021
<b>As At 31 December (RMB' million)</b>					
Total Assets	4,882.2	4,679.0	4,385.8	4,224.5	3,923.4
Total Liabilities	444.7	470.3	459.3	532.7	747.2
Shareholders' Equity	4,437.6	4,208.7	3,926.5	3,691.8	3,176.2
Cash and Cash Equivalents	2,328.9	2,073.9	1,687.9	1,364.9	1,377.3
Bank Borrowings	-	-	-	-	-
Treasury Shares	67.1	67.1	54.5	40.8	30.2
<b>No of Shares ('million)</b>					
No of Ordinary Shares	953.4	953.4	959.3	965.7	970.4
No of Treasury Shares	30.0	30.0	24.1	17.7	13.0
<b>For the Financial Year ended 31 December (RMB'million)</b>					
Revenue	3,277.4	3,515.5	3,490.5	3,825.1	3,725.2
Gross Profit	770.3	850.0	798.9	1,163.9	1,046.5
Net Profit	404.9	423.9	372.5	642.4	506.3
Earnings before interest, tax, depreciation & amortisation (EBITDA)	582.1	662.4	567.9	880.9	805.1
<b>Sales Volume (tonnes)</b>					
Total Volume	222,243	214,094	206,996	186,153	195,405
Accelerator	108,773	107,426	99,809	89,434	101,970
Insoluble sulphur	46,371	40,583	40,655	37,599	37,274
Antioxidants	64,689	64,285	65,127	58,058	54,566
Others	2,410	1,800	1,405	1,062	1,595
<b>Financial Analysis</b>					
Gross Profit Margin (%)	23.5%	24.2%	22.9%	30.4%	28.1%
Net Profit Margin (%)	12.4%	12.1%	10.7%	16.8%	13.4%
EBITDA Margin (%)	17.8%	18.8%	16.3%	23.0%	21.6%
Current Ratio	8.3	7.6	7.2	5.9	3.8
Average YTD Trade Receivables Turnover (Days)	75	74	75	70	56
Average YTD Trade Payables Turnover (Days)	5	6	7	10	9
Average YTD Inventory Turnover (Days)	53	48	50	52	38
Return on Equity (%)	9.1%	10.1%	9.5%	17.4%	15.9%
Return on Asset (%)	8.3%	9.1%	8.5%	15.2%	12.9%
Gearing Ratio	-	-	-	-	-
<b>Per Share Data</b>					
NAV per Share (RMB cents)	465.45	441.45	409.34	382.3	327.3
EPS (RMB cents)	42.47	44.34	38.67	66.29	52.17
Dividend Per Share (SGD cents)	3.2	3.0	2.5	3.0	2.0

## CHAIRMAN'S MESSAGE



After more than four decades of relentless effort—including 18 years as a listed company on the Singapore Exchange—the Group has firmly established its leadership in both China and the global rubber chemicals market. Our comprehensive competitive advantages—spanning brand equity, production scale, financial strength, cost efficiency, customer service, R&D innovation, and environmental compliance—have laid a solid foundation for sustainable long-term growth.



## Dear Shareholders,

On behalf of the Board of Directors of China SunSine Chemical Holdings Ltd. (“**China SunSine**” or “**the Company**”, together with its subsidiaries, collectively the “**Group**”), I am pleased to present the annual report for the financial year ended 31 December 2025 (“**FY2025**”).

According to projections issued by the International Monetary Fund (“**IMF**”) in January 2026, global economic growth is expected to reach 3.3% in 2025. This suggests that the global economy remains in a moderate-growth environment while facing various uncertainties and risks. Rising geopolitical tensions, escalating regional conflicts and growing trade protectionism have contributed to increased volatility in the global economic landscape, disrupting global supply chains and placing continued pressure on export-oriented economies.

China’s economy continued to demonstrate resilience in 2025, with GDP growth of 5.0% for the year. The automotive sector reached a new milestone, with total vehicle sales hitting a record 34.4 million units, up 9.4% from the previous year. Sales of New Energy Vehicles (“**NEVs**”) surged by 28.2% to 16.49 million units, accounting for 47.9% of total new vehicle sales. The sustained growth of the automotive and NEVs segments provides strong structural support for long-term demand in the rubber chemicals industry.

Nevertheless, the rubber chemicals sector in which the Group operates continues to face formidable challenges. The industry’s concentrated capacity expansion in prior years has resulted in persistent oversupply, intensifying market competition and product prices being under constant pressure. Meanwhile, prices of key raw materials remained subdued for most of 2025—declining further in the second half—which, while lowering production costs to some extent, also directly dragged down market selling prices, thereby creating a squeeze on margins.

Faced with such complex operating landscape, China SunSine once again delivered a resilient set of results, achieved through its deep industry expertise and agility. Leveraging our strengths in cost-control and large-scale production capabilities, we held our ground amid fierce competition—not only achieving another record-high sales volume but also sustaining healthy profitability, further consolidating our market leadership position.

## THE YEAR UNDER REVIEW

The Group’s revenue in FY2025 amounted to RMB 3,277.4 million. The overall average selling price (“**ASP**”) decreased by 10% year-on-year to RMB 14,545 per tonne from RMB 16,226 per tonne in FY2024, mainly due to the decrease in raw material prices and intensified competition.

In response to intense market competition, the Group adopted a more flexible pricing strategy. Supported by expanded production capacity and sustained customer demand, sales volume continued to grow, increasing by 4% from 214,094 tonnes in FY2024 to a record high of 222,243 tonnes in FY2025.

The Group’s profit before income tax amounted to RMB 503.6 million, with net profit of RMB 404.9 million. Although net profit decreased slightly by 4% year-on-year, this result is a testament to the Group’s strong operational foundation and earnings resilience amid a highly challenging operating environment.

The Group’s earnings per share for FY2025 was RMB 42.47 cents. As at 31 December 2025, its net assets per share stood at RMB 465.45 cents (equivalent to approximately SGD 0.85). The Group’s financial position was further strengthened with cash and bank balances amounting to RMB 2,328.9 million, net cash per share of SGD 0.45, and a zero-debt balance sheet.

## CAPACITY EXPANSION PLAN

Capitalising on years of accumulated advantages in land, technology, and capital, the Group has been orderly implementing its expansion plan in recent years, to meet market demand for its products while continuously enhancing its competitiveness through economies of scale. Set out below is an update of the Group’s expansion projects in 2025:

- *Phase 2, 30,000-tonne per annum IS project (located in Hengshun plant)*  
Commercial production has commenced.
- *Phase 2, 40,000-tonne per annum Continuous Production of High Quality Solvent MBT project (located at Hengshun plant)*  
The trial run is in progress. Commercial production is expected to commence in 1Q2026.

# CHAIRMAN'S MESSAGE



- **20,000-tonne per annum Continuous Production of High-Quality Solvent MBT project (located at Weifang plant)**  
The project is at the construction phase. Management expects that the project will be ready for trial run by 1H2026.
- **Transform TBBS2 workshop to CBS workshop (located at Shandong Sunsine plant)**  
The project is at the construction phase. Management expects that the project will be ready for trial run by 1H2026.

MBT, a critical intermediate product in accelerator production, plays a vital role in ensuring the security of the Group's supply chain. With the completion of the two MBT projects, the Group's total MBT production capacity has increased to 125,000 tonnes per annum (such capacity is excluded from the Group's reported finished product capacity)—sufficient to fully meet internal requirements. Current output is primarily allocated to captive use, with any surplus potentially offered for external sales depending on market conditions.

Through a series of capacity expansions and technological upgrades, the Group has made notable strides in enhancing cost efficiency and reducing production wastage, further entrenching its industry leadership position. Today, China Sunsine remains the

## OUTLOOK AND PROSPECTS

Looking ahead to 2026, the global economy is expected to face increasing challenges amid a more uncertain geopolitical and economic environment. The recent escalation of tensions in the Middle East, including attacks by the United States on Iran, has further heightened uncertainties in the global economic landscape. Such developments may disrupt global energy supply and increase volatility in oil prices, which may in turn lead to fluctuations in the prices of certain raw materials used in the production of rubber chemicals. Against this backdrop, businesses may continue to face a more volatile operating environment.

The tire industry presents both opportunities and challenges. In China's rubber chemicals market, overcapacity and intensifying competition are expected to persist, continuing to exert pressure on selling prices. As Chinese tire companies expand and establish production facilities overseas, China's share of global tire production will continue to increase. However, the rise of regional trade protectionism has created significant barriers and pressure on tire exports. Despite these challenges, Chinese tire production maintains a pivotal position in the global market, thereby driving increased demand for rubber chemicals.

We firmly believe that with challenges lie opportunities, and only the prudent can navigate farther.



In response to the complex and evolving market environment, the Group will continue to adhere to its core “Sales-Production Equilibrium” strategy, adopting a more flexible pricing approach to drive sales volume growth and reinforce our market leadership position. Concurrently, we will optimise our product mix, and increase the proportion of higher-value-added products to enhance earnings stability.

While oversupply and price competition are unlikely to abate in the near term, the Group’s deep-rooted advantages in scale, cost control, and customer relationships form a robust moat. We are well-positioned to sustain our competitive edge and deliver operational performance surpassing industry averages.

After more than four decades of relentless effort—including 18 years as a listed company on the Singapore Exchange—the Group has firmly established its leadership in both China and the global rubber chemicals market. Our comprehensive competitive advantages—spanning brand equity, production scale, financial strength, cost efficiency, customer service, R&D innovation, and environmental compliance—have laid a solid foundation for sustainable long-term growth.

### PROPOSED DIVIDEND

In appreciation of the unwavering support from our shareholders and taking into account the Group’s earnings performance, strong financial position and strategic expansion plans, the Board of Directors is pleased to propose a final one-tier tax-exempt dividend of SGD 0.027 per share for FY2025, comprising an ordinary dividend of SGD 0.02 per share and a special dividend of SGD 0.007 per share. Together with the interim special dividend of SGD 0.005 per share paid in September 2025, the total dividend for FY2025 amounts to SGD 0.032 per share, representing a

payout ratio of approximately 41% of the Group’s net profit for the financial year, in line with the Group’s dividend policy. This proposal will be discussed and approved at the upcoming Annual General Meeting to be held in April 2026.

With this dividend payment, if approved, the Group would have paid out approximately RMB 1.2 billion in total dividends since its listing in 2007 (compared to IPO proceeds of RMB 264 million raised in 2007).

### ACKNOWLEDGEMENTS

As we navigate an increasingly competitive market, the Group remains steadfast in its commitment to growth and excellence. Our achievements are a testament to the collective efforts of our Board of Directors, management team, and dedicated employees. Their professionalism, perseverance, and passion continue to drive the Group forward, and I extend my deepest appreciation for their invaluable contributions.

We are also profoundly grateful to our customers, business partners, suppliers, and the wider community for their trust and support. Their confidence fuels our determination to innovate, enhance our services, and uphold our corporate social responsibilities.

Above all, I would like to express my sincere gratitude to our shareholders for their enduring trust and belief in the Group. Our pursuit of long-term, sustainable growth and value creation remains at the heart of everything we do. With your continued support, we will keep striving for excellence, and building a stronger and brighter future !

### XU CHENGQIU

Executive Chairman  
March 2026



“经过四十余载的砥砺前行，尤其是在新加坡交易所上市十八年来，集团在中国乃至全球橡胶助剂市场确立了稳固的领先地位。我们在品牌影响力、生产规模、资金实力、成本控制、客户服务、研发创新和环保合规等方面形成了综合竞争优势，为长远发展奠定了坚实基础。”



## 尊敬的股东们：

我代表中国尚舜化工控股有限公司（“中国尚舜”，连同其子公司合称“集团”）董事会，很高兴向大家呈上集团截至2025年12月31日的财政年度（“2025财年”）的年度报告。

据国际货币基金组织（“IMF”）于2026年1月发布的预测，2025年全球经济增长预计为3.3%。这表明全球经济仍面临诸多不确定性与风险，处于缓慢增长环境。地缘政治紧张局势上升、区域冲突加剧以及贸易保护主义抬头，这些因素均加剧了全球经济环境的波动，严重扰乱了全球供应链，给依赖出口的经济体带来持续压力。

面对这样的国际形势，中国经济在2025年继续展现出较强韧性，全年国内生产总值增长5.0%。汽车行业亦创下新里程碑，全年汽车销量达到3,440万辆，同比增长9.4%。新能源汽车销量同比大幅增长28.2%，达到1,649万辆，占新车总销量的47.9%。汽车行业及新能源汽车市场的持续增长，为橡胶助剂行业的长期需求提供了坚实的结构支撑。

集团所处的橡胶助剂行业仍面临严峻挑战。由于前几年行业扩产集中释放，产能过剩问题依然突出，市场竞争日趋白热化，产品价格持续承压。与此同时，主要原材料价格在2025年大部分时间维持低位，尤其在进入下半年后进一步走低，这虽然在一定程度上降低了生产成本，但也直接拉低了产品的市场售价，毛利率也受到了一定的挤压。

面对如此复杂的经营环境，中国尚舜凭借其深厚的行业积淀和灵活的应变能力，再次交出一份稳健的答卷。我们充分发挥成本管控优势和规模化生产能力，在激烈竞争中稳住了基本盘，不仅实现全年销量再创新高，更保持了健康的盈利水平，进一步巩固了市场领导地位。

## 年度业绩回顾

集团2025财年的营业收入为32.774亿元人民币。由于原材料价格下跌和竞争加剧，集团的平均销售价格同比下降10%，从2024财年的每吨16,226元人民币降至14,545元。

面对激烈的市场竞争，集团采取了更为灵活的价格策略；同时，在集团扩大的产能支撑和强劲的客户需求的带动下，集团的销售数量持续保持增长。销售数量从2024财年的214,094吨增至2025财年的222,243吨，同比增长4%，再创历史新高。

集团税前利润为5.036亿元人民币，净利润为4.049亿元人民币。虽然净利润同比略微下降了4%，但考虑到极具挑战的市场环境，这一业绩充分展现了集团扎实的经营功底和稳健的盈利韧性。

集团在2025财年的每股盈利为42.47分人民币。截至2025年12月31日，每股净资产为465.46分人民币（相当于新元0.85元）。集团的财务状况更加强健，现金及银行存款达23.289亿元人民币，每股净现金为新元0.45元，且无任何银行贷款。

## 扩产项目

凭借着多年累积的在土地、技术、资金等方面的优势，集团近年来一直有序地实施扩产计划，以满足市场对集团产品的需求，并持续以规模优势强化竞争力。2025年集团扩产项目的进展如下：

- **二期年产30,000吨不溶性硫磺项目（位于恒舜工厂）**  
已投入商业化生产。
- **二期年产40,000吨连续性生产高质量溶剂法MBT项目（位于恒舜工厂）**  
试运行正在进行中，预计将于2026年第一季度投入商业化生产。
- **年产20,000吨连续性生产高质量溶剂法MBT项目（位于潍坊工厂）**  
项目处于建设阶段，预计将于2026年上半年准备就绪进行试运行。

- **将TBBS2车间改造为CBS车间(位于山东尚舜工厂)**  
项目处于建设阶段,预计将于2026年上半年准备进行试运行。

MBT作为促进剂产品的关键中间体,其稳定供应对集团产业链安全至关重要。随着上述两个MBT项目的建成投产,集团MBT总产能已提升至每年125,000吨(该产能不计入集团对外公布的成品产能),足以完全满足内部生产需求。目前产能以保障内部供应为主,未来可视市场需求适度对外销售富余部分。

通过一系列扩产和技术改造,集团在提升成本效率、降低生产损耗方面取得显著成效,行业领先地位进一步巩固。目前,集团继续保持全球最大橡胶促进剂生产商、中国领先的不溶性硫磺生产商以及防老剂市场主要参与者的地位。

### 今后展望

展望2026年,在地缘政治和经济环境更趋不确定的背景下,全球经济预计将面临日益增多的挑战。近期中东局势升级,包括美国对伊朗发动袭击,进一步加剧了全球经济环境的不确定性。此类发展可能导致全球能源供应受到干扰,并加剧油价波动,从而可能引发用于生产橡胶助剂的部分原材料价格出现波动。在此背景下,企业可能需要面对更加波动的经营环境。

轮胎行业机遇与挑战并存。中国橡胶助剂市场中,产能过剩和竞争加剧的情况将持续,继续对我们的销售价格构成压力;随着中国轮胎企业相继出海布局,中国轮胎生产在国际市场的占比逐步提升。然而,各区域贸易保护主义的兴起,对轮胎出口造成很大障碍和压力。尽管如此,中国轮胎生产在全球市场具有举足轻重的地位,对橡胶助剂的需求也将进一步提升。

我们坚信,危机中往往蕴藏机遇,稳健者方能行远。

面对复杂多变的市场环境集团将继续坚持“产销平衡”的核心策略,以更灵活的定价策略推动销量持续增长,不断巩固和扩大市场份额。同时,我们将持续优化产品结构,提升高附加值产品占比,增强整体盈利能力的稳定性。

尽管产能过剩和价格竞争短期内难以根本缓解,但集团在规模效应、成本管控和客户资源等方面的深厚积累,构筑了坚实的护城河。我们完全有能力在激烈竞争中保持优势地位,实现优于行业平均水平的经营表现。

经过四十余载的砥砺前行,尤其是在新加坡交易所上市十八年来,集团在中国乃至全球橡胶助剂市场确立了稳固的领先地位。我们在品牌影响力、生产规模、资金实力、成本控制、客户服务、研发创新和环保合规等方面形成了综合竞争优势,为长远发展奠定了坚实基础。

### 股息建议

为了回馈股东长期以来的支持,结合考虑集团本年度的盈利表现、强健的财务状况以及战略扩产计划,董事会建议在2025财年派发每股2.7新分的终期免税股息(包括每股2新分的普通股息和每股0.7新分的特别股息)。连同2025年9月已支付的每股0.5新分中期特别股息,2025财年总股息为每股3.2新分,派息率约为集团本财年净利润的41%,符合集团的股息政策。此建议将在2026年4月举行的股东大会上讨论通过。

此项股息若获批准,集团自2007年上市以来累计派发的股息总额将达约12亿元人民币(相比之下,2007年首次公开募股募集资金为2.64亿元人民币)。

### 衷心感谢

在日益激烈的市场竞争中,集团始终坚定不移地追求成长与卓越。我们所取得的成就,是董事会、管理团队以及全体员工共同努力的成果。他们的专业精神、坚持不懈和积极热情是推动集团不断前行的动力,我对此深表感谢,并向每一位成员致以最诚挚的敬意。

同时,我们衷心感谢广大客户、业务合作伙伴、供应商及社会各界的信任与支持。正是这份信任激励着我们不断创新、提升服务,并积极履行企业社会责任。

最后,我谨代表董事会,向我们的股东表达最真诚的感谢。正是因为你们长期以来的信任与支持,集团才能始终坚持可持续增长和创造价值这个发展目标。未来,我们将不懈努力,继续追求卓越,携手共创更加辉煌的未来。

### 徐承秋

执行主席  
2026年3月

# OPERATIONS AND FINANCIAL REVIEW

## OUR FINANCIAL PERFORMANCE IN FY2025

In FY2025, the global economy continued to face significant challenges and uncertainties. Rising geopolitical tensions, escalating regional conflicts and growing trade protectionism heightened volatility in the global economic environment, affecting demand visibility and cross-border trade flows.

In China, the oversupply situation in the rubber chemicals industry persisted, leading to intensified competition and continued pressure on pricing. Meanwhile, prices of major raw materials remained at relatively low levels during the financial year, particularly in the second half of FY2025, which further exerted downward pressure on our selling prices (“ASP”).

Against these backdrops, China Sunsine Chemical Holdings Ltd (“China Sunsine” or collectively, the “Group”) demonstrated resilience and operational strength. Leveraging its cost efficiency and scale advantages, the Group achieved another record-high sales volume for the financial year while maintaining healthy profitability, further strengthening its market leadership position.

The Group’s revenue in FY2025 decreased by 7% to RMB 3,277.4 million from RMB 3,515.5 million in FY2024, mainly due to the decrease in ASP, partially offset by the increase in the sales volume.

Overall, ASP for rubber chemicals decreased by 10% to RMB 14,545 per tonne in FY2025 as compared to RMB 16,226 per tonne in FY2024. The decrease in ASP was mainly due to the decrease in the price of raw materials and intensified market competition.

In response to the intensified competition, the Group adopted a more flexible pricing strategy, thus achieving continued volume growth. Sales volume increased by 4% compared to FY2024 to a record high of 222,243 tonnes, underpinned by expanded production capacity and sustained customers’ demands.

In FY2025, sales volume for Accelerators and Insoluble Sulphur (“IS”) increased by 1% and 14%, respectively, while sales volume for Anti-oxidant products remained at a similar level as FY2024. Domestic sales volume increased by 3%, reflecting the Group’s active participation in market competition.

## ANALYSIS OF SALES AND VOLUME

	SALES VOLUME (TONNES)			SALES (RMB’ MILLION)		
	FY2025	FY2024	Change	FY2025	FY2024	Change
<b>Rubber Chemicals</b>						
Accelerators	<b>108,773</b>	107,426	1%	<b>1,997.7</b>	2,141.7	(7%)
Insoluble Sulphur	<b>46,371</b>	40,583	14%	<b>305.7</b>	252.1	21%
Anti-oxidants	<b>64,689</b>	64,285	-	<b>890.6</b>	1,050.5	(15%)
Others	<b>2,410</b>	1,800	34%	<b>38.5</b>	29.6	30%
	<b>222,243</b>	214,094	4%	<b>3,232.5</b>	3,473.9	(7%)
Domestic Sales	<b>133,207</b>	129,177	3%	<b>1,808.9</b>	1,970.1	(8%)
International Sales	<b>89,036</b>	84,917	5%	<b>1,423.6</b>	1,503.8	(5%)
Heating Power	<b>58,336</b>	68,359	(15%)	<b>16.2</b>	18.4	(12%)
Waste Treatment	<b>15,373</b>	12,897	19%	<b>28.7</b>	23.2	24%
Total Sales				<b>3,277.4</b>	3,515.5	(7%)



International sales volume rose by 5%, mainly driven by increased orders from Southeast Asia as several Chinese tire manufacturers have established their production facilities in the region. The utilisation rate of all three categories of products remained at satisfactory levels.

**Gross profit** decreased by 9% from RMB 850.0 million in FY2024 to RMB 770.3 million in FY2025, while the average Gross Profit Margin (“**GPM**”) also decreased by 0.7 percentage points from 24.2% in FY2024 to 23.5% in FY2025, mainly due to the lower ASP and sales revenue.

**Other income** amounted to RMB 106.1 million in FY2025, mainly consisting of interest income of RMB 67.4 million and gain on sales of scrap materials of RMB 41.9 million.

**Other losses, net** amounted to RMB 31.3 million in FY2025, mainly due to foreign exchange losses and fair value loss on non-current receivables, measured at fair value through profit or loss (“**FVPL**”).

**Distribution and marketing expenses** increased by 7% from RMB 110.9 million in FY2024 to RMB 119.0 million in FY2025, mainly due to higher freight costs and port charges caused by higher sales volume.

**Administrative expenses** increased by 3% from RMB 210.5 million in FY2024 to RMB 217.3 million in FY2025, mainly due to higher depreciation charges allocated to administrative expenses as a result of more downtime during Chinese New Year 2025.

**Research and development (“R&D”) expenses** decreased by 94% from RMB 86.2 million in FY2024 to RMB 5.2 million in FY2025, mainly due to reduced R&D activities carried out.

**Profit before income tax (“PBIT”)** decreased by 14% from RMB 585.1 million in FY2024 to RMB 503.6 million in FY2025, mainly due to lower revenue.

**Income tax expense** decreased by 39% from RMB 161.2 million in FY2024 to RMB 98.7 million in FY2025, mainly due to reversal of over-provision for prior years.

For the reasons set above, **net profit attributable to shareholders** decreased slightly by 4% from RMB 423.9 million in FY2024 to RMB 404.9 million in FY2025.

## FINANCIAL POSITION REVIEW

**Property, plant and equipment (“PPE”)** increased by RMB 105.8 million from RMB 835.0 million to RMB 940.8 million, mainly due to the additions to construction in progress and PPE, offset by depreciation charged.

**Intangible assets** decreased by RMB 4.5 million from RMB 199.2 million to RMB 194.7 million, mainly due to the amortization charged during the financial year.

**Other receivables**, at FVPL decreased by RMB 8.8 million from RMB 70.8 million to RMB 62 million, due to fair value loss.

**Trade and other receivables** decreased by RMB 140.9 million from RMB 1,136.5 million to RMB 995.6 million, mainly due to decrease in notes receivables and trade receivables, as a result of Group’s collection efforts.

**Trade and other payables** increased by RMB 23.2 million from RMB 311.1 million to RMB 334.3 million mainly due to increase in payables to contractors.

# OPERATIONS AND FINANCIAL REVIEW



**Net cash provided by operating activities** increased by RMB 54.4 million from RMB 573.2 million in FY2024 to RMB 627.6 million in FY2025 mainly due to improvement in working capital achieved from lower trade receivables as a result of Group's collection efforts.

**Net cash used in investing activities** increased by RMB 127.4 million from RMB 55.3 million in FY2024 to RMB 182.7 million in FY2025 mainly due to additions to PPE, partially offset by higher interest income received.

**Net cash used in financing activities** increased by RMB 47.4 million from RMB 137.4 million in FY2024 to RMB 184.8 million in FY2025, mainly due to higher dividends paid by the Group in this financial year.

## Capacity expansion plans

### 1. Phase 2, 30,000-tonne per annum IS project (located in Hengshun plant)

The commercial production of this project has commenced.

## CASH FLOW REVIEW

	FY2025 RMB' million	FY2024 RMB' million	Change RMB' million
<b>Net cash provided by operating activities</b>	<b>627.6</b>	573.2	54.4
Net cash used in investing activities	<b>(182.7)</b>	(55.3)	(127.4)
Net cash used in financing activities	<b>(184.8)</b>	(137.4)	(47.4)
Net increase in cash and cash equivalents	<b>260.1</b>	380.5	(120.4)
Cash and bank balances at end of financial year per consolidated statement of cash flows	<b>2,328.9</b>	2,073.9	255.0



**2. Phase 2, 40,000-tonne per annum Continuous Production of High-Quality Solvent MBT project (located in Henghsun plant)**

The trial run of the Phase 2 MBT project is in progress, with commercial production commencing in 1Q2026.

**3. 20,000-tonne per annum Continuous Production of High-Quality Solvent MBT project (located in Weifang plant)**

The Weifang MBT project is at the construction phase. Management expects that the project will be ready for trial run by 1H2026.

**4. Transform TBBS2 workshop to CBS workshop (located in Shandong Sunsine plant)**

The CBS project is currently in the construction phase. Management expects that the project will be ready for trial run by 1H2026.

Below is a summary of our estimated Annual Capacity<sup>1</sup> at the end of each financial year:

Tonnes	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026e
Accelerators	117,000	117,000	117,000	117,000	117,000	117,000	135,000
Insoluble Sulphur	30,000	30,000	60,000	60,000	60,000	60,000	60,000
Anti-oxidant	45,000	45,000	77,000	77,000	77,000	77,000	77,000
<b>Total</b>	<b>192,000</b>	<b>192,000</b>	<b>254,000</b>	<b>254,000</b>	<b>254,000</b>	<b>254,000</b>	<b>272,000</b>

<sup>1</sup> Annual Capacity excludes capacity of intermediary materials such as 4ADPA and MBT.

## BOARD OF DIRECTORS



**XU CHENG QIU**  
Executive Chairman

XU CHENG QIU is the Executive Chairman of our Group, responsible for the overall management, formulation and implementation of our business strategies. He has more than 30 years of experience in the rubber chemical industry. He joined our Group in 1977, when the predecessor of our subsidiary, Shanxian Chemical, was first established. In December 1998, Mr Xu, together with other employees, executed an MBO and he became the Executive Chairman and General Manager of Shanxian Chemical. He was also honoured with numerous awards, amongst them “Outstanding Entrepreneur” award, from the Heze City Economic and Trade Committee and “Excellent Leader in Technological Innovation” by China Rubber Industry Association (CRIA). Mr Xu is part of a group of Chairpersons spearheading the various committees of CRIA. He obtained his degree in Rubber Chemical Engineering from Shandong Chemical College in 1966 and became a qualified senior engineer in 1989.

Mr Xu is also Chairman of the Company’s Risk Management Advisory Committee (“RMAC”).



**XU JUN**  
Executive Director

XU JUN is our Executive Director to assist our Chairman, Mr Xu Cheng Qiu, in the strategic planning, direction and overall management of the subsidiary. He joined the Group in 1998 as the head of the management department. In 2003, he was promoted to Assistant to General Manager and subsequently became our Deputy General Manager in 2006. Mr Xu obtained his diploma in Business Administration from Jining University of Technology in 1992 and the ISO9000 Internal Auditor Qualification in 2002.



**LIU DE MING**

**Executive Director & General Manager  
of Shandong Sunsine**

LIU DE MING was appointed as Executive Director of the Company with effect from 30 April 2021. He was also appointed as the General Manager (“GM”) of the Company’s subsidiary-Shandong Sunsine in October 2020. Mr Liu De Ming is responsible for the overall management and operations of our China’s subsidiaries. Prior to that, he was the GM of the Group’s another subsidiary Weifang Sunsine. Mr Liu joined the Group in 1995 since his graduation from Beijing Chemical University. Mr Liu has more than 30 years of working experiences in production, technology and management.

Mr Liu is also a member of the Company’s Risk Management Advisory Committee (“RMAC”).



**TONG YIPING**

**Executive Director cum  
Chief Financial Officer**

TONG YIPING was appointed as our Executive Director cum Chief Financial Officer in March 2023. He joined the Group as Group’s Financial Controller in October 2013 and was promoted to Chief Financial Officer in March 2016. Mr Tong is responsible for overseeing the financial operations of the Group. He has more than 20 years of experience as an accounting professional. Prior to joining the Company, Mr Tong was the Finance Manager of China Yuchai International Ltd, a company listed in New York Stock Exchange. Mr Tong is a fellow with the Association of Chartered Certified Accountants, and a member of Institute of Singapore Chartered Accountants. He obtained an honours bachelor degree in Accountancy from Oxford Brookes University, UK.

Mr Tong is also a member of the Company’s Risk Management Advisory Committee (“RMAC”).

## BOARD OF DIRECTORS



**TOH SHIH HUA**  
Lead Independent Director

TOH SHIH HUA is our Lead Independent Director and Chairman of the Audit Committee. She was appointed on 26 April 2024. Ms Toh has more than 20 years of financial and banking experience, including capital markets fund raising and corporate advisory. In 2004, Ms Toh founded Genesis Capital Pte Ltd, a corporate finance advisory company, where she continues to serve as a director and is responsible for deal origination and has completed numerous corporate finance transactions including initial public offerings, mergers and acquisitions, takeovers and fund raisings. Ms Toh graduated from the Nanyang Technological University with a Bachelor of Accountancy and is a member of Institute of Singapore Chartered Accountants.



**YAN TANG FENG**  
Independent Director

YAN TANG FENG is our Independent Director. He was appointed on 26 September 2019. Mr Yan has more than 15 years of experience in corporate finance and investment management. He is currently the President of Sinolion Holdings Pte. Ltd., responsible for the overall management of investment management and business operations. He was the Vice President of ICH Capital Group and was later promoted to Senior Vice President, responsible for investment management. Mr Yan was the Non-Executive Chairman of Shengli Oil & Gas Pipe Holdings Ltd and Non-Executive Director of Starrise Media Holdings Ltd, both companies are listed in the main board of Hong Kong Stock Exchange. Mr Yan graduated from Shandong University in July 1994 with a Bachelor's degree in Engineering.



**LIANG CHENG**  
Independent Director

LIANG CHENG was appointed as our Independent Director in March 2023. He graduated with a major in Chemical Engineering from Nanjing Tech University in 1992 and holds a certificate of Senior Chemical Process Engineer. With over 40 years of experience in research, development and information work in fine chemicals, such as rubber chemicals and polymer materials, Mr Liang is skilled in designing and planning blueprints for chemical parks and enterprise development. Currently, Mr Liang serves as the Secretary-General of the Technical Committee of the Jiangsu Chemical Industry Association. He is a member of the Expert Committee of the Rubber Chemicals Committee of the China Rubber Industry Association and is also a member of several expert committees in some government departments in Jiangsu Province and the Expert Committees of Science and Technology Industries in provinces such as Shandong, Jiangxi, Chongqing, and Guangdong. Additionally, he is the Chief Expert of the fine chemical industry chain in Xuzhou City. Mr Liang is also an editorial board member of several major Chinese journals, including “Plastics Science and Technology”, “Polymer and Additives”, “World Rubber Industry”, “Chlor-alkali Industry”, and “Rubber Technology”. He has published over 260 papers in domestic and foreign journals and has given over 80 keynote speeches at domestic and foreign fine chemical conferences. Mr Liang worked at Sinopec Nanjing Chemical Industry Co., Ltd from 1992 until December 2022.



**PEH SIEW WEE**  
Independent Director

PEH SIEW WEE was appointed as our Independent Director on 26 April 2024. Mr Peh holds a Bachelor of Business Administration degree from University of Oregon, and a Master of Business Administration from University of Michigan (Ann Arbor). He is currently Director of Corner First Management Consulting Pte. Ltd. (since 2020) and Westlake Health Resources Pte. Ltd. (since 2019). Prior to these, he served as Director at China Capital Impetus Asset Management Pte. Ltd. from 2011 to 2018 and held senior positions at HL Bank Singapore, SBI E2 Capital Asia Securities Pte. Ltd., Raffles Campus (China) Pte. Ltd., CN-Surbana Facilities Management Pte. Ltd., Informatics Holdings (Fujian) Pte. Ltd., Gleneagles (Fujian) Pte. Ltd., and Beijing EM Services Pte. Ltd. from 2000 to 2010. Throughout his career, Mr. Peh has demonstrated a strong commitment to financial expertise and strategic leadership.

## BOARD OF DIRECTORS



**THIEW ZONG MIN, MICHELLE MAGDALENE**  
**Independent Director**

THIEW ZONG MIN, MICHELLE MAGDALENE was appointed as our Independent Director on 26 April 2024. She holds a Bachelor of Laws degree from the University of Durham, completed in 2007, and is also a Certified Information Privacy Professional/Asia. With over a decade of experience in private practice and in-house roles at leading law firms and various multi-national corporations, Ms. Thiew has established herself as a trusted and solutions-oriented legal professional within the legal community.

Ms. Thiew is currently the Lead, Legal for Therme Group Singapore. Prior to this, she held key legal and compliance roles for Cushman & Wakefield, CBRE, OUE Lippo Healthcare Limited and Jones Lang LaSalle Property Consultants. Earlier in her career, Ms. Thiew worked as a Senior Associate specializing in Corporate Finance at Shook Lin & Bok LLP. Her diverse professional background and extensive legal experience make her a valuable addition to our board of directors.



**ZHANG SONG**  
Chief Engineer

ZHANG SONG was appointed as the Group's Chief Engineer, Director cum Deputy General Manager of Shandong Sunsine in October 2020. He is in charge of the Group's technology, R&D, environmental protection and quality. Mr Zhang joined the Group in 2008 since he has obtained his Master degree in Inorganic Chemistry. He has more than 15 years' experience in research and development activities, technology upgrading and management. He has joined and led several technological projects organised by China national or provincial authorities, and won numerous rewards. He is also one of the drafters to the Chinese Standards for Insoluble Sulphur.

Mr Zhang is also a member of the Company's Risk Management Advisory Committee ("RMAC").



**XU CHI**  
Deputy General Manager

XU CHI was appointed as the Group's Deputy General Manager and Vice Chairman of Shandong Sunsine in December 2025. He is in charge of the Group's procurement as well as communication and cooperation among Directors, Managers and all relevant parties, deliver and submitting information to the Executive Chairman. Mr Xu has more than 30 years' experience in the sales, procurement, marketing as well as administration.



**YUAN JIALE**  
Deputy General Manager  
(Sales and Marketing)

YUAN JIALE was appointed as the Group's Deputy General Manager in August 2023 and Director of Shandong Sunsine in December 2024, where he oversees the Group's Sales and Marketing activities. Previously, he served as the General Manager Assistant, collaborating closely with the Head of Sales Department to manage sales, pricing, and market analysis. With over 15 years of experience in sales and marketing, he possesses a deep understanding of the market and customer dynamics. Mr. Yuan joined the Group in 2008, initially working in the international sales department until 2019. Subsequently, he was promoted to Deputy Head of the Sales and Marketing Department from 2019 to 2021. He obtained his Bachelor's degree in International Economy and Trading from Shandong Weifang University in 2008.

Mr Yuan is also a member of the Company's Risk Management Advisory Committee ("RMAC").

## KEY EXECUTIVES



**ZHANG SHUN**  
Deputy General Manager

ZHANG SHUN was appointed as the Group's Deputy General Manager and Director of Shandong Sunsine in December 2024. He is responsible for the overall management of antioxidant products and supports the General Manager in production and safety control. Previously, he served as the Deputy General Manager of Shandong Sunsine. Mr. Zhang has over 14 years of experience in production and management, with a particular focus on antioxidant products. He joined the Group in 2010 after earning a Master's degree in Materials Science from Qingdao University of Science and Technology. From 2013 to 2021, he served as the Head of the RT Workshop at Shandong Sunsine. He was subsequently promoted to GM Assistant, a role he held from 2021 to June 2024, where he oversaw the overall management of antioxidant products at Shandong Sunsine.

Mr Zhang is also a member of the Company's Risk Management Advisory Committee ("RMAC").



**XIE CHUNSHENG**  
Deputy General Manager

XIE CHUNSHENG was appointed as the Group's Deputy General Manager and Director of Shandong Sunsine in December 2024. He assists the General Manager with facilities and equipment management, including procurement, installation, testing, and maintenance. Previously, he served as the Deputy General Manager of Shandong Sunsine. Mr. Xie has nearly 20 years of experience in equipment management. He graduated from Qingdao University of Science and Technology and obtained his Bachelor's degree in the Process Equipment and Control Engineering in 2005. From 2005 to 2007, he worked as a technician at the Construction and Installation Branch of Sinopec Yanshan Petrochemical Company before joining the Group. From 2011 to 2019, he was the Head of the Equipment Department at Shandong Sunsine and was promoted to General Manager Assistant in 2019, a role he held until 2022.

# DRIVING ASPIRATION



At China SunSine, excellence is a continuous journey. Through disciplined operations, advanced technology, and a culture of constant improvement, we consistently deliver superior quality and performance, reinforcing our long-standing leadership and sustained success.

## OUR GLOBAL PRESENCE

### OUR DISTINGUISHED CUSTOMERS:

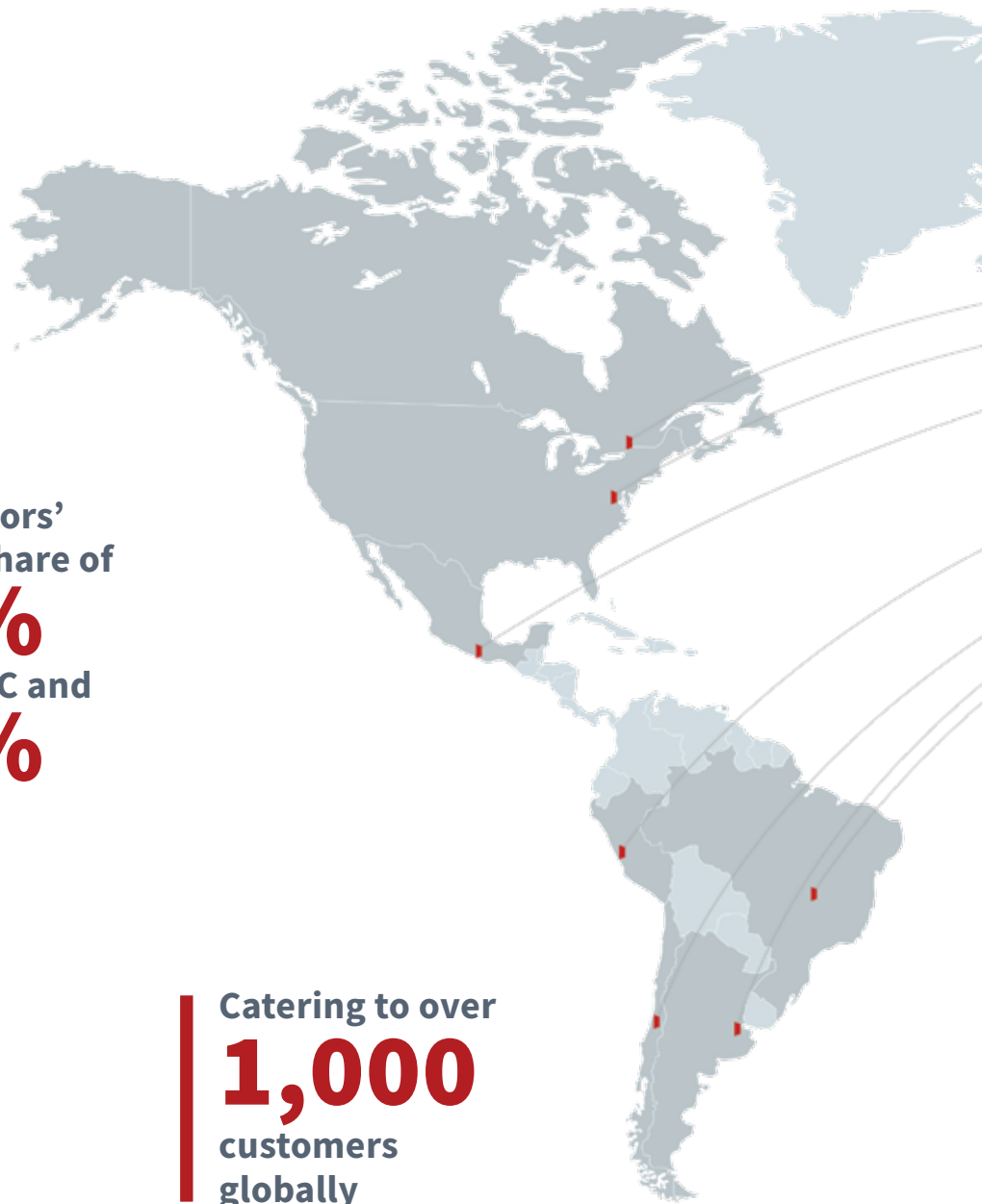
- Bridgestone
- Goodyear Tire
- Sumitomo
- Yokohama
- Michelin
- Cooper
- Hankook
- CST Tire

## WORLD'S LARGEST

producer  
of rubber  
accelerators

Accelerators' market share of  
**37%**  
in the PRC and  
**25%**  
globally

Catering to over  
**1,000**  
customers  
globally



# OUR GLOBAL PRESENCE

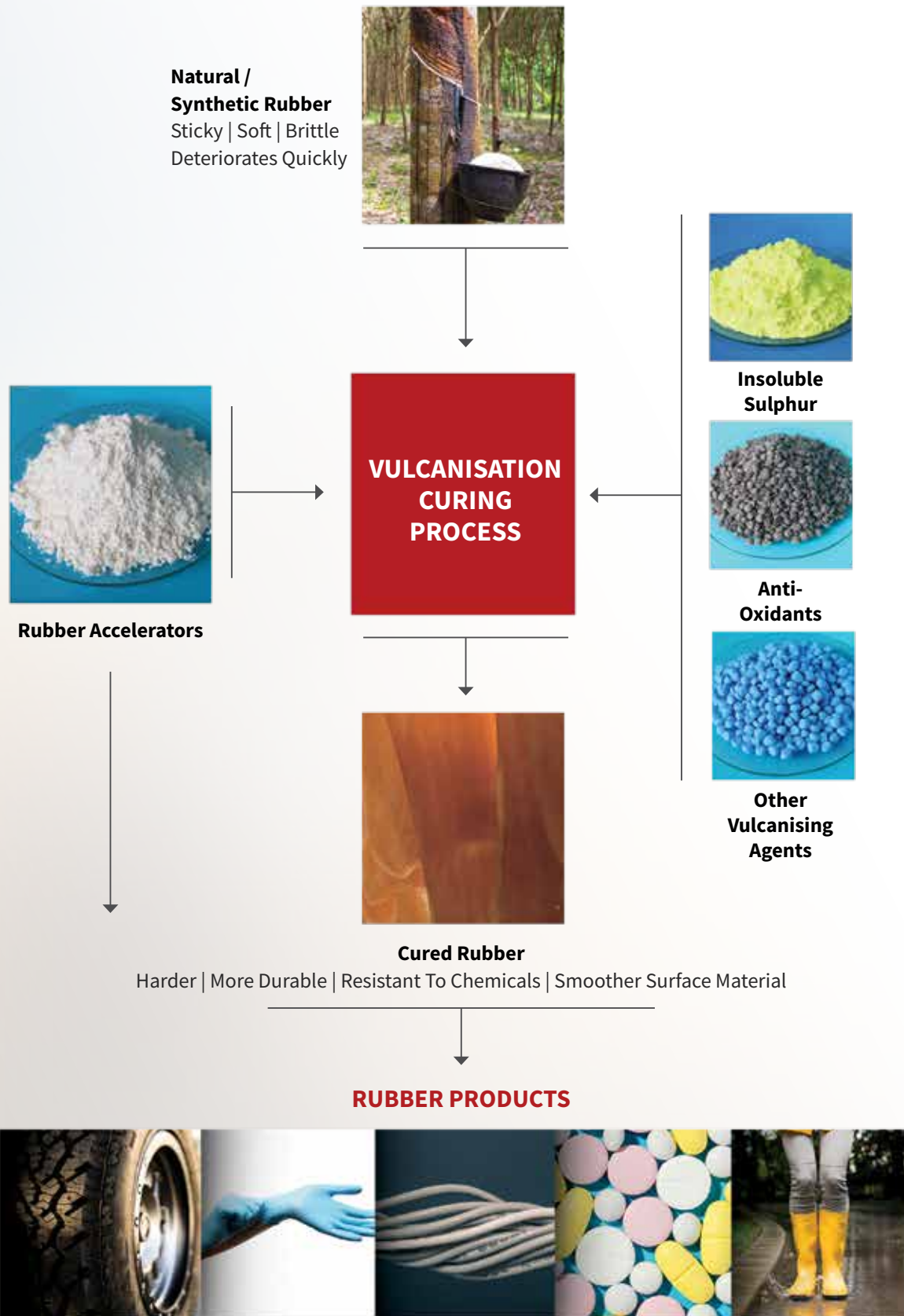
- Toyo Tire
- Tire Pirelli
- GITI Tire
- Hangzhou Zhongce
- Double Coin
- Guizhou Tire
- Sailun Tires
- Linglong Tire



Serving more than  
**3/4**  
of the Global Top 75  
tire makers

**CHINA'S  
LARGEST**  
rubber chemicals  
enterprise

# SUPERIOR PRODUCTS WE OFFER





**CHINA SUNSINE CHEMICAL HOLDINGS LTD.**  
(Singapore)



# CORPORATE INFORMATION

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

### Singapore Office

16 Raffles Quay  
#15-08 Hong Leong Building  
Singapore 048581  
Tel: +65 6220 6686  
Fax: +65 6223 0605  
E-mail: info@ChinaSunsine.com  
Website: www.ChinaSunsine.com

### China Main Offices

Shandong Sunsine Chemical Co., Ltd.  
Shandong Shanxian Economic Development Zone  
Shandong Province  
Post Code: 274300  
The People's Republic of China

Weifang Sunsine Chemical Co., Ltd.  
Lingang Chemical Zone South Area  
Weifang Binhai Economic Development Zone  
Shandong Province  
Post Code: 262737  
The People's Republic of China

## BOARD OF DIRECTORS

### Xu Cheng Qiu

Executive Chairman

### Xu Jun

Executive Director

### Liu De Ming

Executive Director

### Tong Yiping

Executive Director cum  
Chief Financial Officer

### Toh Shih Hua

Lead Independent Director

### Yan Tang Feng

Independent Director

### Liang Cheng

Independent Director

### Peh Siew Wee

Independent Director

### Thiew Zong Min, Michelle Magdalene

Independent Director

## AUDIT COMMITTEE

**Toh Shih Hua** Chairman

**Yan Tang Feng**

**Liang Cheng**

## NOMINATING COMMITTEE

**Peh Siew Wee** Chairman

**Xu Cheng Qiu**

**Toh Shih Hua**

## REMUNERATION COMMITTEE

**Yan Tang Feng** Chairman

**Peh Siew Wee**

**Thiew Zong Min, Michelle Magdalene**

## COMPANY SECRETARY

**Jacqueline Anne Low**

## BANKERS

China Construction Bank Corporation Heze/Shanxian/  
Weifang Branch

Agricultural Bank of China Shanxian/Weifang Branch

Bank of China Heze Branch

Industrial and Commercial Bank of China Shanxian  
Branch

Postal Savings Bank of China Shanxian Branch

DBS Bank Ltd

## SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
(A division of Tricor Singapore Pte Ltd)

9 Raffles Place

#26-01 Republic Plaza

Singapore 048619

## INDEPENDENT AUDITOR

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80 Robinson Road, #25-00

Singapore 068898

Tel: +65 6534 5700

Fax: +65 6534 5766

Director-in-charge:

**Meriana Ang Mei Ling**

(Appointed since financial year ended  
31 December 2021)

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# CORPORATE GOVERNANCE REPORT

China SunSine Chemical Holdings Ltd. (the “**Company**”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (collectively, the “**Group**”) to ensure greater transparency and protection of shareholders’ interests. The board of directors of the Company (the “**Board**”) is pleased to confirm that the Company has complied with the principles and provisions of the Code of Corporate Governance 2018 (as amended) (the “**Code**”) and the accompanying Practice Guidance to the Code, where they are applicable and practical to the Group. Where there is any variation from the provisions of the Code, explanations on how the Group’s practices are consistent with the aim and philosophy of the principle in question, have been provided within this report.

This report sets out the Company’s corporate governance processes, practices and structures that were in place throughout the financial year ended 31 December 2025 (“**FY2025**”), with specific reference to the principles and provisions of the Code. The Board and the management of the Company (the “**Management**”) will continue to uphold the highest standards of corporate governance within the Company in accordance with the Code.

## (A) BOARD MATTERS

### The Board’s Conduct of Affairs

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### *Role of the Board*

The Board assumes responsibility for stewardship of the Group, and puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

The Board’s primary role is to protect and enhance long-term value and returns for shareholders. It provides entrepreneurial leadership, oversees the business and affairs of the Group, and approves the Group’s financial and strategic plans, key business initiatives, major investments and divestments proposals, and funding decisions.

Additionally, the Board has direct responsibility for decision-making in respect of the following corporate events and actions:

- (a) ensure that necessary financial and human resources are in place for the Group to meet its objectives;
- (b) oversee the processes of risk management, financial reporting and compliance, and evaluate the adequacy of internal controls;
- (c) establish, together with Management, the strategies and financial objectives to be implemented by Management;
- (d) review the performance of Management, approve the nominations of the Board of Directors and appointment of key management personnel, as may be recommended by the Nominating Committee;
- (e) review and endorse the framework of remuneration for the Board and key management personnel as may be recommended by the Remuneration Committee;
- (f) assume responsibility for corporate governance; and
- (g) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Company has adopted internal guidelines setting forth matters which require Board approval. Matters which are specifically reserved to the full Board for decision include those involving interested

# CORPORATE GOVERNANCE REPORT

person transactions (such as conflict of interest issues in relation to substantial shareholders and directors of the Company), material acquisitions and disposal of assets, annual budgets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his/her knowledge. Where a director faces a conflict of interest issue, he/she will disclose and declare his/her conflict of interest, and recuse himself/herself from discussions and decisions involving the issues of conflict. Each Board member makes decisions objectively and discharges his/her duties and responsibilities at all times as fiduciaries in the interests of the Group.

## Board and Board Committees

To assist the Board in the execution of the Board's responsibilities, certain functions of the Board have been delegated to 3 Board committees, comprising an Audit Committee ("**AC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**"). Each of these committees functions within clearly defined terms of reference setting out their compositions, authorities and duties, and operating procedures (including reporting back to the Board) which are reviewed on a regular basis to ensure continued relevance and consistency with the Code. The effectiveness of each committee is also constantly being monitored.

The Board meets 4 times a year and as warranted by particular circumstances. Telephonic attendance and conference at the Board and Board committee meetings are allowed under the Constitution of the Company. In between the scheduled meetings, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing.

The number of the Board and Board committee meetings held for the period from 1 January 2025 to 31 December 2025, as well as the attendance of each member of the Board and Board committees at the respective meetings, are set out below:-

NAME OF DIRECTORS	Board	AC	NC	RC
	Number of Meetings Held: 4	Number of Meetings Held: 4	Number of Meetings Held: 1	Number of Meetings Held: 1
	Meetings Attended As Member	Meetings Attended As Member	Meetings Attended As Member	Meetings Attended As Member
Xu Cheng Qiu	4 out of 4	N.A.	1 out of 1	N.A.
Xu Jun	4 out of 4	N.A.	N.A.	N.A.
Liu De Ming	4 out of 4	N.A.	N.A.	N.A.
Tong Yiping	4 out of 4	N.A.	N.A.	N.A.
Koh Choon Kong <sup>(1)</sup>	2 out of 4	2 out of 4	N.A.	N.A.
Toh Shih Hua	4 out of 4	4 out of 4	1 out of 1	N.A.
Yan Tang Feng	4 out of 4	4 out of 4	N.A.	1 out of 1
Liang Cheng	4 out of 4	4 out of 4	N.A.	N.A.
Peh Siew Wee	4 out of 4	N.A.	1 out of 1	1 out of 1
Thiew Zong Min, Michelle Magdalene	4 out of 4	N.A.	N.A.	1 out of 1

### Note:

<sup>(1)</sup> Mr Koh Choon Kong retired and did not seek re-election at the annual general meeting ("**AGM**") held on 29 April 2025. Accordingly, Mr Koh Choon Kong ceased to be a Non-Executive Non-Independent Director and a member of the Audit Committee of the Company immediately following the conclusion of the AGM.

# CORPORATE GOVERNANCE REPORT

## *Directors' Orientation and Development*

The Company has an orientation program for all new Directors, and the Directors also have the opportunity to visit the Group's operating facilities in the People's Republic of China and meet with Management to gain a better understanding of the Group's business operations. Directors who are first-time directors, or who have no prior experience as directors of a listed company are required to attend the training programmes conducted by the Singapore Institute of Directors ("**SID**"), ISCA Academy Pte Ltd or SAC Capital, and will also undergo briefings on the roles and responsibilities as directors of a listed company.

All newly appointed Directors will receive a formal letter from the Company setting out the duties and responsibilities as a Director, along with an information pack containing the Company's annual report, Constitution, respective Board committees' terms of reference (where applicable), as well as a template director's disclosure form pertaining to his/her obligations in relation to disclosure of interests in securities and conflict of interests.

The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Companies Act 1967 of Singapore ("**Companies Act**") and listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. They are also informed of and are encouraged to attend relevant seminars such as those organised by the SGX-ST, SID and other external professional organisations to keep abreast of developments relevant to their roles. All Directors have attended sustainability training courses mandated by Singapore Exchange Regulation (SGX RegCo).

## *Access to Information*

To assist the Board in fulfilling its responsibilities, Management provides the Board with complete and adequate information in a timely manner prior to meetings and on an on-going basis. As a general rule, Board papers are required to be sent to the directors at least 7 days before the Board meeting so that the members may better understand the matters prior to the Board meeting and discussion may be focused on questions that the Board has about the Board papers. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Key management personnel who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting.

Management also provides the Board members with background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts, internal financial statements, together with explanations for any material variance between the projections and actual results in respect of its financial performance.

## *Access to Management and Company Secretary*

The Directors have separate and independent access to the Management and the Company Secretary at all times.

The Company Secretary attends all Board meetings. The Company Secretary is responsible for preparing minutes of Board proceedings, and is responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

The Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in the discharge of their duties, at the expense of the Company.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

### Board Composition

The Board, through the NC, examines and reviews its structure, size and composition annually, taking into account the scope and nature of the Company's operations. The current composition of the Board and Board Committees, and the respective directors' appointments, are as follows:-

Name of Directors	Position held on the Board	Board Committee Membership		
		AC	NC	RC
Xu Cheng Qiu	Executive Chairman	-	Member	-
Xu Jun	Executive Director	-	-	-
Liu De Ming	Executive Director	-	-	-
Tong Yiping	Executive Director cum Chief Financial Officer	-	-	-
Toh Shih Hua	Lead Independent Director	Chairman	Member	-
Yan Tang Feng	Independent Director	Member	-	Chairman
Liang Cheng	Independent Director	Member	-	-
Peh Siew Wee	Independent Director	-	Chairman	Member
Thiew Zong Min, Michelle Magdalene	Independent Director	-	-	Member

The Board presently comprises 9 directors, of whom 5 are independent non-executive directors. The present composition of the Board complies with Rule 210(5)(c) of the Listing Manual of the SGX-ST ("**Listing Manual**") that the Board must have at least two non-executive directors who are independent and free of any material business or financial connection with the Company, and that independent directors must comprise at least one-third of the Board, as well as with Provision 2.2 of the Code that independent directors should make up a majority of the Board where the Executive Chairman is part of the management team and not an Independent Director, and with Provision 2.3 of the Code that the majority of the Board comprises non-executive directors. Hence, the Board is able to exercise objective judgment on corporate affairs independently.

### Board Diversity

The Board recognises that board diversity is an essential element contributing to a well-functioning and effective Board, as well as the sustainable development of the Group. As such, the Board has in place a Board Diversity Policy, the objectives of which are to promote and enhance the decision-making process of the Board through the perspectives derived from the professional expertise, business experience, industry discipline, skills, knowledge, gender, age, educational background, ethnicity and culture, length of service, and other diverse qualities of the Board members. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the NC will consider the various aspects of board diversity, and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives. The Board will, on a continuing basis, review the relevant aspects of diversity of its members to ensure they serve the needs and plans of the Company and the Group. Taking into consideration the recommendations of the NC, the Board will review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board.

# CORPORATE GOVERNANCE REPORT

The Board is of the view that its current structure, size and composition is appropriate for effective decision-making, provides balance and diversity of expertise, gender and knowledge of the Group's business, foster constructive debate, and avoid groupthink. The NC is also satisfied that the Board comprises directors who as a group provide core competencies such as accounting or finance, legal, corporate finance, business or management experience, industry knowledge, strategic planning experience and customerbased experience or knowledge, which are required for the Board to function effectively.

In addition, the Board recognises the importance and value of gender diversity, and has set a target in its Board Diversity Policy to appoint at least one female director on the Board. The Board currently comprises two female directors out of a total of nine directors, hence has met its gender diversity target.

The Board also consists of directors of different age groups who have served on the Board for different tenures and who provide different perspectives for the matters to be discussed and decided at the Board level. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. As such, based on the above, the Board is of the view that it has achieved its Board diversity targets for FY2025.

The diversity of the current Board as at the date of this annual report is as follows:

- (a) *Skills, Knowledge and Experience:* accounting or finance, legal, corporate finance, business or management experience, industry knowledge, strategic planning experience, and customer based experience or knowledge
- (b) *Gender:* 2 Female and 7 Male
- (c) *Age:* 41 to 82
- (d) *Education:* Accountancy, Law, Business Administration, and Engineering
- (e) *Tenure:* 2 to 19 years

## *Board Independence*

The NC conducts a review annually to determine whether or not a director is independent, adopting the Code's definition of an "Independent Director" and guidance as to relationships, including those provided in the Code, the Listing Manual and the Practice Guidance to the Code, that are relevant in its determination. Each Independent Director is required to complete an annual declaration to confirm his/her independence, and in particular, that he/she does not have any relationship with the Company and its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Group. The independent directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Each of Ms Toh Shih Hua, Mr Yan Tangfeng, Mr Liang Cheng, Mr Peh Siew Wee and Ms Thiew Zong Min, Michelle Magdalene has confirmed that he/she has no relationship, whether familial, business, financial, employment or otherwise, with the Company, its related corporations, substantial shareholders, or any officers, which could interfere or be perceived to interfere with his/her independent judgment.

Taking into account the views of the NC and the annual confirmation from each of the Independent Directors of his/her independence, the Board (with each Independent Director abstaining from the discussion and decision-making process with respect to the assessment of his/her independence) considers each of the Independent Directors to be independent and will be able to exercise

independent judgment in the best interest of the Company in discharging their duties as independent directors. None of the Independent Directors has served on the Board for an aggregate period of more than 9 years.

Led by the Lead Independent Director, the Independent Directors meet regularly without the presence of Management to discuss matters such as the changes that they would like to see in the Board processes, corporate governance initiatives, and matters which they wish to discuss during the Board meetings. After such meetings, the Lead Independent Director will provide feedback to the Executive Chairman and the Board. During FY2025, the Independent Non-Executive Directors met regularly without the presence of Management.

## **Chairman and Chief Executive Officer**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

### *Roles of Executive Chairman and CEO*

Currently, the Executive Chairman of the Company is Mr Xu Cheng Qiu. Mr Xu is the founder of the Group and plays a key role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the overall strategic planning and growth of the Group. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management.

As Executive Chairman of the Board, Mr Xu bears responsibility for the effective working of the Board. He is responsible for, amongst others, ensuring that Board meetings are held when necessary, setting the Board meeting agendas to enable the Board to carry out its duties effectively and responsibly, taking a leading role to ensure and maintain a high standard of corporate governance, acting as a facilitator at Board meetings and maintaining regular dialogue with Management on all operational matters.

There is no CEO of the Company appointed following the retirement of the former CEO. Mr Xu assumed the role of CEO to oversee the whole Group's operations, in addition to his role as Executive Chairman of the Company.

### *Role of Lead Independent Director*

In line with the recommendations in the Code, Ms Toh Shih Hua has been appointed as the Lead Independent Director of the Company to lead and coordinate the activities of the independent directors and to address the concerns, if any, of the Company's shareholders for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

## **Board Membership**

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

The Company has established a NC to, *inter alia*, make recommendations to the Board on all Board appointments. The NC currently comprises the following Independent Directors:

Peh Siew Wee	-	Chairman
Xu Cheng Qiu	-	Member
Toh Shih Hua	-	Member

# CORPORATE GOVERNANCE REPORT

The role of the NC is to establish a formal and transparent process for the appointment of new directors and the re-appointment of directors retiring by rotation, as well as to assess the effectiveness of the Board and the overall contribution of each director towards the effectiveness of the Board.

The principal functions of the NC include the following:

- (a) to make recommendations to the Board on all Board appointments, and re-appointment of directors or alternate directors (if any), having regard to that director's contribution and performance (such as attendance, preparedness, participation and candour) where applicable;
- (b) to review the independence of the directors annually;
- (c) to decide whether the director is able to and has been adequately carrying out his duties as director, in particular, where a director has multiple board representations;
- (d) to review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;
- (e) to identify and nominate candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
- (f) to review succession plans for directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and key management personnel according to different time horizons so as to identify competencies needed for the Group's long-term strategy and objectives;
- (g) to review and make recommendations to the Board regarding the orderly replacement of Board members and key management personnel in the medium term, where necessary, as well as contingency planning and preparedness against sudden and unforeseen changes or circumstances;
- (h) to make recommendations to the Board relating to the review of training and professional development programs for the Board and its directors;
- (i) to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- (j) to assess the effectiveness of the Board as a whole, and the contribution by each director to the effectiveness of the Board.

The NC has conducted an annual review of Directors' independence for FY2025 based on the Code's criteria for independence and is of the view that Ms Toh Shih Hua, Mr Yan Tang Feng, Mr Liang Cheng, Mr Peh Siew Wee and Ms Thiew Zong Min, Michelle Magdalene are independent. More details of the Board and NC's determination of the independence of the Independent Directors are set out under Principle 2 of this report in the section headed "*Board Independence*".

## *Other Principal Commitments and Board Representations*

The NC determines annually whether a director with multiple board representations is able to and has been adequately carrying out his duties as a director of the Company. The NC has taken into account the respective director's actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company, in making this determination, and is satisfied that all the directors having multiple board representations have been able to and have adequately carried out their duties as director.

The Board has also adopted an internal guideline that each director should hold not more than 5 listed company board representations to address competing time commitments when directors serve on multiple boards. The NC believes a director's commitment and contributions to the Company, and his/her attendance at and contributions during Board and Board committee meetings are relevant factors to be taken into consideration in assessing whether a director has adequately discharged his duties.

The following key information regarding all directors is set out in the following pages of this Annual Report:

- (a) pages 14 to 18 – Academic and professional qualifications;
- (b) page 51 – Key information (including each of the Director's board representations on other listed companies and other principal commitments (if any)); and
- (c) pages 52 to 53 – Shareholding in the Company and its related corporations.

The Company currently has no alternate directors on its Board. The Board is of the view that the appointment of alternate directors should only be appointed for limited periods in exceptional cases such as when a director has a medical emergency. An alternate director, when appointed, should be subject to the same criteria and process for selection of directors, and be appropriately qualified.

The NC has in place a formal process for the selection and appointment of new directors, and re-appointment of directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment, as well as to advance the Company's objective of promoting board diversity.

#### *Process for selection of new directors*

The NC has recommended, and the Board has approved, a formal process for the selection of new directors as follows:

- (a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (b) Directors and Management may suggest suitable potential candidates. If necessary, the NC may enlist external help (for example, from the SID, search consultants, advertisements) to source for potential candidates;
- (c) The NC assesses suitability of short-listed candidates, meets and discusses with them, if necessary, to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- (d) The NC makes recommendations to the Board for approval.

#### *Criteria for appointment of new directors*

All new appointments are subject to the recommendation of the NC based on, *inter alia*, the following objective criteria:

- (a) Integrity;
- (b) Independent mindedness;

# CORPORATE GOVERNANCE REPORT

- (c) Possess core competencies which meet the current needs of the Company and complement the skills and competencies of the existing directors on the Board;
- (d) Able to commit time and effort to carry out duties and responsibilities effectively;
- (e) Experience in the relevant field of business of the Company or industries in which it operates; and
- (f) Financially literate.

## *Process for re-appointment of directors*

Pursuant to Rule 720(5) of the Listing Manual and the Company's Constitution, all directors must submit themselves for re-nomination and re-appointment at least once every 3 years. Under the Company's existing Constitution, one-third of the directors (except for the managing director, if any) for the time being (or if their number is not a multiple of 3, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM of the Company. In addition, a newly appointed director must also submit himself or herself for re-election at the AGM immediately following his or her appointment.

## *Other considerations*

Apart from the above-stated formal process for the selection and appointment of new directors, as well as re-appointment of directors, the NC and the Board will also take into consideration whether a candidate or director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the candidate or director's involvement therein. The Board and NC will also assess whether a director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a director of the Company.

## *Re-election of Directors at the forthcoming AGM*

At the forthcoming AGM, Mr Xu Jun, Mr Tong Yiping and Mr Yan Tangfeng are due for retirement by rotation under Regulation 104(2) of the Constitution of the Company. Mr Xu Jun, Mr Tong Yiping and Mr Yan Tangfeng had submitted themselves for re-nomination and re-election. The NC has reviewed and recommended the re-election of Mr Xu Jun, Mr Tong Yiping and Mr Yan Tangfeng as Directors of the Company.

The Board (save for the directors seeking re-election who had abstained from the deliberation process in respect of their own re-election) has accepted the NC's recommendation and proposes that the aforesaid directors be re-elected at the forthcoming AGM.

Please refer to the explanatory notes to the Notice of the AGM dated 14 April 2026 and pages 121 to 125 of this Annual Report for the additional information in respect of the directors seeking re-election at the forthcoming AGM pursuant to Rule 720(6) of the Listing Manual read with Appendix 7.4.1 of the Listing Manual.

## **Board Performance**

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole and the Board committees, as well as the contribution by each director to the effectiveness of the Board.

The assessment of the Board and the Board committees provided an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allowed him/her to discharge his/her duties effectively and the changes that should be made to enhance the effectiveness of the Board as a whole.

The individual director's assessment exercise allowed each director to reflect upon his/her own performance on the Board and Board committees so that the overall quality of the board members may be improved upon and enhanced. It also assisted the NC in determining whether to re-nominate directors who are due for retirement by rotation at the next AGM, and in determining whether directors with multiple board representations are nevertheless able to and have adequately discharged their duties as directors of the Company. More details of the Board and NC's assessment and determination exercise are set out under Principle 4 of this report in the sections headed "*Other Principal Commitments and Board Representation*" and "*Re-appointment of Directors*".

The NC determines how the Board and Board committees' performance may be evaluated and proposes objective performance criteria. Such performance criteria is approved by the Board and addresses how the Board and Board committees have enhanced long-term shareholders' value.

## *Evaluation processes*

### *(a) Board and Board committees*

For FY2025, each Board member is required to complete a Board and Board Committees Assessment Checklist ("**Checklist**"). Based on the returns from each of the directors, the Chairman of the NC prepares a consolidated report and thereafter presents the report to the Board for discussion on the changes which should be made to help the Board and Board committees discharge their respective duties more effectively.

### *(b) Individual directors*

In the case of the assessment of individual directors, each director is required to complete an individual director's assessment form by way of a self-assessment of his/her contribution to the effectiveness of the Board and Board committees for FY2025. Based on the returns from each of the directors, the Chairman of the NC prepares a consolidated report and thereafter presents the report to the Board. The Chairman of the Board then provides the necessary feedback on the respective Board and Board committee performance of each director, with a view to improving their respective performance on the Board and the Board committees.

## *Performance criteria*

The performance criteria for the Board evaluation are in respect of the Board size, composition and independence, conduct of meetings, corporate strategy and planning, risk management and internal control, Board performance in relation to discharging its principal functions, Board committee performance in relation to discharging their responsibilities set out in their respective terms of reference, achievement of financial targets which includes return on equity, improvement of performance of the Company's share price vis-à-vis the Singapore Straits Times Index, recruitment policy, process for determining remuneration and compensation of directors and key management personnel, financial reporting, and communication with shareholders.

The individual director's performance criteria are categorised into (1) attendance at Board and Board committees, and related activities, (2) adequacy of preparation for Board and Board committee meetings, (3) contribution in strategic/business decision, finance/accounting, risk management, legal/regulatory, human resource management, or any other specialist area of each director, (4) area of experience, (5) generation of constructive debate, (6) maintenance of independence, (7) disclosure of related party transactions, and (8) overall assessment.

## (B) REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

#### *Composition and Role of the RC*

The RC currently comprises entirely independent directors as follows:

Yan Tangfeng	-	Chairman
Peh Siew Wee	-	Member
Thiew Zong Min, Michelle Magdalene	-	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of each individual director, the CEO and key management personnel (who are not directors or the CEO).

The principal functions of the RC include the following:

- (a) to review and recommend to the Board for endorsement a framework of remuneration for the Board and key management personnel, and the specific remuneration packages for each director as well as for the key management personnel of the Company. The framework will cover all aspects of remuneration, including without limitation, directors' fees, salaries, allowances, bonuses, options, share-based incentives, benefits-in-kind, and termination terms to ensure they are fair;
- (b) to review the remuneration packages of all managerial staff who are related to any of the executive directors;
- (c) to review and approve the annual increments and/or variable bonus to be granted to the executive directors and key management personnel of the Company;
- (d) in the case of directors' service agreements, to consider what compensation or commitments the directors' service agreements, if any, would entail in the event of early termination; and
- (e) to recommend to the Board, in consultation with senior management and the Executive Chairman, any long-term incentive scheme (including share schemes) and to consider the eligibility of directors for benefits under such long-term incentive schemes.

The recommendations of the RC would be submitted to the Board for endorsement. Each member of the RC will refrain from voting on any resolution in respect of the assessment of his/her remuneration. No director will be involved in determining his/her own remuneration.

The RC has access to expert advice in the field of executive remuneration outside the Company with regards to remuneration matters wherever necessary. The RC should ensure that existing relationships, if any, between any of its directors or the Company and its appointed remuneration consultants, will not affect the independence and objectivity of the remuneration consultants. In FY2025, the Company did not seek any expert advice outside the Company on remuneration of its Directors.

## Level and Mix of Remuneration

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

The RC assists the Board by ensuring that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholders' value. The RC reviews and recommends to the Board the remuneration package, determines the overall annual increment and bonus for each of the Executive Directors and key management personnel, and ensures that they are appropriate and proportionate to the sustained performance and value creation of the Group.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies, as well as the costs of living in the cities in which the Company operates. As part of its review, the RC ensures that the performance related elements of remuneration form a significant and appropriate part of the total remuneration package of executive directors and key management personnel, and is designed to align the directors' and key management personnel's interests with those of shareholders and link rewards to corporate and individual performance, taking into account industry benchmarks.

The RC also reviews all matters concerning the remuneration of independent directors by ensuring that the remuneration is commensurate with the level of contribution, taking into account factors such as effort and time, and responsibilities of these directors. The Company will submit the quantum of directors' fees of each year to the shareholders for approval at each AGM.

Only the executive directors have entered into service agreements with the Company, which are for a fixed appointment period. The RC reviews and recommends to the Board what compensation commitments the executive directors' service agreements would entail in the event of early termination, and aims to be fair and avoid rewarding inadequate performance. The terms of the executive directors' service agreements were approved by the Board.

Pursuant to the terms thereof, the service agreements may be terminated by either party giving not less than six (6) months' notice in writing. Each of the key management personnel were issued a letter of appointment, the terms of which were reviewed by the RC, and approved by the Board. The RC is satisfied that the termination clauses set out in the service agreements and the letters of appointment are fair and reasonable to the parties, and are not overly generous.

The Company has not adopted the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company will review the feasibility of having such contractual provisions in future renewals of service agreements and/or employment contracts of its Executive Directors and key management personnel as recommended by the Practice Guidance.

# CORPORATE GOVERNANCE REPORT

## Disclosure on Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

### *Policy in respect of independent directors' remuneration*

The independent directors do not enter into service agreements with the Company. They received Directors' fees, the amount of which is dependent on their level of responsibilities. Each Independent director is paid a basic fee. In addition, independent directors who perform additional services through Board committees are paid an additional fee for such services. The Lead Independent Director and the Chairman of each Board committee are paid a higher fee as compared to members of the committee in view of the greater responsibility carried by that office. The amount of directors' fees payable to independent directors is subject to shareholders' approval at the Company's AGM.

### *Remuneration policy in respect of executive directors and other key management personnel*

The Company advocates a performance-based remuneration system that is flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders' value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

For the purpose of assessing the performance of Executive Directors and other key management personnel, key performance targets are clearly set out at the beginning of each financial year. These targets include, where applicable, revenue, gross profit margin, net profit after tax, return on shareholders' equity, total shareholders return (i.e. dividend plus share price movement over the year), and safety production and environmental protection related targets.

### *Disclosure on Remuneration*

The level and mix of each of the directors' remuneration, and that of each of the key management personnel (who are not also directors or the CEO) for FY2025, are set out as follows:

Name of Directors	Salary	Bonus	Director's fees	Other benefits	Total Remuneration	
	%	%	%	%	%	S\$'000
Xu Cheng Qiu	18	82	-	-	100	2,115
Xu Jun	50	46	-	4	100	82
Liu De Ming	50	48	-	2	100	152
Tong Yiping	74	17	-	9	100	242
Koh Choon Kong <sup>(1)</sup>	-	-	100	-	100	20
Yan Tang Feng	-	-	100	-	100	55
Liang Cheng	-	-	100	-	100	50
Toh Shih Hua	-	-	100	-	100	60
Peh Siew Wee	-	-	100	-	100	55
Thiew Zong Min, Michelle Magdalene	-	-	100	-	100	50

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Remuneration Band & Name of Key Management Personnel	Salary	Bonus	Other benefits	Total
	%	%	%	%
<b>S\$250,000 and below S\$500,000</b>				
Nil				
<b>Below S\$250,000</b>				
Zhang Song	19	78	3	100
Xu Chi	25	70	5	100
Yuan Jiale	15	82	3	100
Zhang Shun	20	76	4	100
Xie Chunsheng	19	78	3	100

**Note:**

<sup>(1)</sup> Mr Koh Choon Kong retired at the AGM on 29 April 2025. His director's fees are pro-rated for FY2025.

The Company has not disclosed the exact amount of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The aggregate remuneration paid to key management personnel (who are not Directors or the CEO) in FY2025 is S\$548,000.

There was no employee of the Company or its subsidiaries who is a substantial shareholder, or an immediate family member of any director or a substantial shareholder of the Company and whose remuneration exceeded S\$100,000 for FY2025. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister or parent.

The Company has no share option plans for FY2025. Accordingly, no share option has been granted to the above directors or key management personnel. The Company may consider to have such a scheme to align the interests of key executives with that of shareholders, improving performance and achieving sustainable growth for the Company.

There are no termination, retirement and post-employment benefits that may be granted to directors or the top five key management personnel (who are not directors or the CEO).

## (C) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

#### *Risk Governance Structure*

The Board is overall responsible for the governance of risk. The Board oversees the Group's risk management framework and policies, reviews the Group's business, financial and operational risks, and formulates strategies and measures to manage and mitigate these risks with the assistance of internal auditor and independent auditor.

# CORPORATE GOVERNANCE REPORT

The Board ensures that Management reviews and seeks to identify areas of significant business risks on an ongoing basis, and takes appropriate measures to control and mitigate such risks. Management also reviews all significant control policies and procedures and highlights all significant matters to the Board. The Board oversees Management in the design, implementation and monitoring of the risk management and internal control systems of the Group, to safeguard the interests of the Company and its shareholders.

## *Enterprise Risk Management*

The Company has set up a Risk Management Advisory Committee (“**RMAC**”) to oversee the Group’s risk management framework and policies, review the Group’s business, financial and operational risks, and to advise the Board on strategies and measures to manage and mitigate these risks. The RMAC is headed by the Executive Chairman of the Company, together with 7 executives (including two directors), whose names are set out below:

Xu Cheng Qiu	-	Chairman
Liu De Ming	-	Member
Tong Yiping	-	Member
Zhang Song	-	Member
Zhang Shun	-	Member
Zheng Huai Yu	-	Member
Yuan Jiale	-	Member
Wang Jian	-	Member

In order to ensure and maintain a sound system of risk management and internal controls to safeguard shareholders’ interests and the Company’s assets, an Enterprise Risk Management (“**ERM**”) programme was developed with the assistance of the Company’s previous internal auditor, Messrs MS Risk Management Pte Ltd, and has been implemented to identify, prioritise, assess, manage and monitor key risks faced by the Group. In 2015, the Company appointed a new internal auditor, Messrs Baker Tilly Consultancy (Singapore) Pte. Ltd., which refreshed the ERM programme to identify new risks, if any. In 2019, the Company undertook a fresh round of review of its ERM programme with the assistance of a new ERM consultant, Messrs BDO LLP. A risk refresher exercise was conducted in November 2024 and December 2024 to update the established risk register and the current risk ranking, with the assistance of ERM consultant, Messrs BDO LLP. The risk management system covers, *inter alia*, financial, operational, compliance and information technology controls of the Group. The key risks identified are deliberated by Management, and reported to the RMAC, which is responsible for the effective implementation of risk management strategy, policies and processes within the framework of the ERM programme. The RMAC will also follow up on the actions required to be taken by Management to mitigate such identified risks. The RMAC also reviews the adequacy and effectiveness of the ERM programme periodically, and reports its findings to the AC and the Board at least once a year or as and when new significant risks are identified.

## *Internal Control and Risk Management Systems*

To ensure that its internal control and risk management systems are adequate and effective, the Company has also requested its internal auditor to take such identified risks into consideration in drawing up the annual internal audit plan. The Company’s internal auditor also assists the Company to conduct an annual review of the adequacy and effectiveness of the Company’s internal controls. The independent auditor, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance or failures in internal control, and recommendations for improvements, are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditor and independent auditor in this respect, and holds regular discussions with Management to ensure the timely and proper implementation of such recommendations. Based on the reports submitted by the internal auditor and independent auditor received by the AC and the Board, nothing material has

come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal control and risk management processes of the Group are inadequate or ineffective, or there are non-compliance of the Company's system of internal control and processes.

Based on the internal control and risk management systems established and maintained by the Group, the work conducted by the internal auditor and independent auditor as set out in their respective reports, the review by the AC of the implementation of the recommendations of the internal auditor and independent auditor as aforesaid, and the report of the RMAC to the Board, the Board, with the concurrence of AC, is of the opinion that the system of internal control and risk management procedures maintained by Management are adequate and effective to meet the needs of the Company in addressing the financial, operational, compliance and information technology risks to the Company and the Group as at 31 December 2025.

The Board has also received a letter of assurance from the Executive Chairman and the CFO confirming, *inter alia*, that:

- (a) the financial records of the Company have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Company's risk management and internal control systems are adequate and effective.

The Board notes that no system of internal controls can provide absolute assurance against or eliminate the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. However, by identifying and managing risks that may arise on a regular basis, the Group believes that it will be better placed to mitigate risks such as material financial misstatements or losses, and to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and management of business risks.

## **Audit Committee**

### ***Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.***

#### *Composition and Role of AC*

The AC currently comprises the following directors, all of whom are Independent Non-Executive Directors:

Toh Shih Hua	-	Chairman
Yan Tang Feng	-	Member
Liang Cheng	-	Member

All the members of the AC bring with them invaluable industry knowledge and professional expertise in the financial or business spheres, and have adequate financial management knowledge and experience to discharge their responsibilities as members of the AC.

The primary functions of the AC include the following:

- (a) to discuss and review at least annually any significant financial reporting issues and judgments in relation to the financial statements and how the issues are addressed so as to ensure the integrity of the financial statements;
- (b) to discuss and review at least annually the adequacy and effectiveness of the internal controls and risk management system of the Group with respect to financial, operational, compliance and information technology risks;

# CORPORATE GOVERNANCE REPORT

- (c) to review any announcements relating to the Group's financial results before submission to the Board for approval;
- (d) to receive and review the assurance from the Executive Chairman and the CFO who are responsible for the financial records and financial statements;
- (e) to assess and review at least annually the adequacy, effectiveness, independence, scope and results of the external audit of the Group and the Group's internal audit functions;
- (f) to discuss and review with auditors regarding, *inter alia*, the assistance given by Management to the auditors;
- (g) to assess and review at least annually the independence and objectivity of the independent auditor, taking into consideration the aggregate fees paid for audit and non-audit services (if any) provided by the independent auditor;
- (h) to recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the independent auditor, and the terms of engagement and remuneration payable to the independent auditor taking into consideration the quality of work carried out by the independent auditor and the basis of such assessment;
- (i) to review interested person transactions to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of shareholders, and are in compliance with the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual);
- (j) to review the internal audit plan and findings of the internal auditor;
- (k) to commission and review the major findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position; and
- (l) to undertake such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition, the AC has independent access to the internal auditor and independent auditor, who report independently their findings and recommendations to the AC. The AC met with the internal auditor and independent auditor, without the presence of Management, at least once during the financial year.

During the financial year, the AC performed independent reviews of the financial statements of the Company before the announcement of the Company's half-year and full-year financial results. The AC also reviewed and approved both the Company's internal auditor and independent auditor's plans to ensure that the plans covered sufficiently the terms of audit scope in reviewing the significant internal controls of the Company. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations put up by the internal auditor and independent auditor were presented to the AC. Significant issues were discussed at these meetings.

The AC is briefed by the independent auditor of changes to accounting standards and issues which have a direct impact on financial statements during the presentation of the audit planning memorandum and the audit findings.

## *Independent Auditor*

In the review of the financial statements for FY2025, the AC had discussed with Management and the independent auditor, Messrs CLA Global TS Public Accounting Corporation ("**CLA Global TS**") on changes to accounting standards and significant issues and assumptions that impact the financial statements. The most significant matters were also included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". In reviewing the Key Audit Matter relating to revenue recognition, the AC considered the audit approach adopted by the independent auditor, including the assessment of the Group's revenue recognition policies and their consistent application to customer contracts, as described in the Independent Auditor's Report. The AC was satisfied that Management's accounting treatment for revenue recognition was appropriate.

In evaluating the quality of the work carried out by CLA Global TS, the AC's assessment of the performance of CLA Global TS was based on CLA Global TS's firm-wide audit quality framework, which is in line with the requirements of the Singapore Standards on Quality Management 1 (Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Service Engagements) ("**CLA Global TS AQI Framework**"). The key elements of the CLA Global TS AQI Framework include assessment on the experience and involvement of senior audit team members, training programmes and independence requirements of the team members, regular inspections by both internal and external parties (e.g. the Accounting and Corporate Regulatory Authority Practice Monitoring Programme inspections), human resources (e.g. attrition rates of the audit team).

In evaluating the nomination of CLA Global TS for re-appointment for the financial year ending 31 December 2026, the AC has considered the adequacy of the resources, experience and competence of CLA Global TS. The AC also undertook a review of the independence and objectivity of the independent auditor through discussions with the independent auditor. It is noted that the aggregate amount of fees paid to the independent auditor for FY2025 is S\$265,000. No non-audit fees were paid to the independent auditor for financial year ended 31 December 2025 which may affect their independence. None of the members of the AC were partners of CLA Global TS within the last 2 years or has any financial interest in CLA Global TS.

Upon such evaluation, the AC recommended to the Board that CLA Global TS be nominated for re-appointment as independent auditor of the Company at the forthcoming AGM of the Company. The Company has complied with the requirements of Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of auditing firms.

## *Internal Auditor*

The role of the internal auditor is to assist the AC by ensuring that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas.

The Company's internal audit functions are outsourced to Messrs Baker Tilly Consultancy (Singapore) Pte. Ltd. (the "**Internal Auditor**"), which is staffed with professionals with relevant qualifications and experience. They carry out their internal audit works in accordance with the Standards for the Professional Practice of Internal Auditing that are set by the Institute of Internal Auditors. The Internal Auditor has unrestricted direct access to the AC without the presence of the Executive Chairman

# CORPORATE GOVERNANCE REPORT

or senior management, at least annually. The AC approves the hiring, removal, evaluation and compensation of the outsourced Internal Auditor, to ensure that they meet the professional standards set out in the Code, and that such outsourcing will not compromise the Group's quality of internal audit work. The AC ensures that the Management provides adequate support to the Internal Auditor which include, amongst others, access to documents, records, properties and personnel of the Group.

The Internal Auditor's primary line of reporting on any risks or control issues is to the Chairman of the AC, although the Internal Auditor also liaise with the Executive Chairman and the CFO on administrative matters.

During the financial year, the Internal Auditor adopted a risk-based auditing approach that focuses on material internal controls, including financial, operational, compliance and information technology controls. Audits were carried out on all significant business units in the Company. All findings and recommendations of the Internal Auditor are submitted to the AC for deliberation with copies of these reports extended to the Executive Chairman and the relevant senior management officers.

The AC also reviews annually the adequacy, effectiveness and independence of the internal audit function, and is satisfied that it is independent, effective, adequately resourced and has appropriate authority and standing to discharge its responsibilities.

## *Whistle-Blowing Policy*

The Group has established and implemented a whistle-blowing policy which sets out the procedures by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting and on misconduct or wrongdoing relating to the Group and its officers.

The Company's whistle-blowing policy allows employees to raise concerns and offer reassurance that the whistleblower will be protected against detrimental or unfair treatment for whistle-blowing in good faith. All the information in the whistleblowing report, including the identity of the employee, will be treated with strict confidentiality.

The AC is responsible for oversight and monitoring of whistle-blowing. The AC is tasked with investigating whistle-blowing reports made in good faith and in confidence, and will address any issues/concerns that are raised and follow up with the necessary investigations and/or other appropriate actions.

Following the launch of the whistle-blowing policy, a set of guidelines which was reviewed by the AC and approved by the Board, was issued to assist the AC in managing allegations of fraud or other misconduct which may be made pursuant to the whistle-blowing policy, so that investigations may be carried out in an appropriate and timely manner, and disciplinary or civil actions that may be initiated following completion of investigations, are appropriate, balanced, and fair. The Company publicly discloses, and clearly communicates to employees, the existence of the whistle-blowing policy and procedures for raising such concerns.

## **(D) SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meeting**

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

# CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining and improving its level of corporate transparency, providing timely, fair and adequate disclosure of relevant information to shareholders so that they will be apprised of the developments that may have a material impact on the Company's securities. The Company does not practice selective disclosure. Such information is published through the SGXNet. The Company is open to meetings with investors and analysts, and in conducting such meetings, the Company is mindful of the need to ensure fair disclosure.

## *Conduct of General Meetings*

The Company ensures that true and fair information is delivered adequately to all shareholders, and that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

To encourage more shareholder participation, the Company's general meetings are usually held in the city centre of Singapore, which is easily accessible to most shareholders. Notices of general meetings are published through the SGXNet, and in the newspapers, as well as despatched to shareholders, together with the Letter to Shareholders (in relation to the proposed renewal of the share purchase mandate), Annual Report and Sustainability Report within the prescribed time period. Any shareholder who is not a relevant intermediary (as defined in the Companies Act) and who is unable to attend any general meeting is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two proxies. At shareholders' meetings, each distinct issue is proposed as a separate resolution. Shareholders are invited to put forth any questions they may have on the motions tabled and to be decided upon.

All directors, in particular the chairman of each Board committee, are required to be present at general meetings of shareholders to address shareholders' questions. The Independent auditors are also present to address shareholders' queries (if any) about the conduct of audit and the preparation and content of the auditors' report.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

At general meetings, all resolutions are put to vote by poll so as to better reflect shareholders' interest and ensure greater transparency. An independent scrutineer will be appointed to explain to the shareholders the rules, including the poll voting procedures that govern such general meetings, and to validate the votes cast at the general meetings. Votes cast for or against each resolution, and the respective percentages, are tallied and informed to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings.

The results of general meetings are disclosed by way of Company announcement on the SGX-ST. The Company Secretary prepares minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, if any, and responses from the Board and Management. These minutes are published on the Company's corporate website and on the SGXNet.

The Company's AGM for FY2025 will be held in a wholly physical format. Shareholders may ask questions relating to the resolutions to be tabled for approval at the AGM, or submit questions relating to the resolutions in advance of the AGM by 21 April 2026, and the Company will endeavour to address the substantial and relevant questions prior to or at the AGM. The responses to questions from members will be posted on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.chinasunsine.com> by 24 April 2026 (if questions are submitted in advance by 21 April 2026 and answered prior to the AGM), or (if questions are answered during the AGM), will

# CORPORATE GOVERNANCE REPORT

be included in the minutes of the AGM and published on SGX website and the Company's corporate website within one month from the date of the AGM. Please refer to the notice of the FY2025 AGM and announcement dated 14 April 2026 for more information on the forthcoming AGM. In line with the Company's environmental sustainability efforts, printed copies of the Annual Report, Letter to Shareholders (in relation to the proposed renewal of the share purchase mandate) and Sustainability Report will not be sent to shareholders. Shareholders who wish to receive hard copies of the Annual Report, Letter to Shareholders (in relation to the proposed renewal of the share purchase mandate) and Sustainability Report are required to complete and submit a request form which can be found in a letter to shareholders on AGM procedures dated 14 April 2026. Printed copies of the Notice of AGM and Proxy Form, together with the letter to shareholders on AGM procedures (enclosing the request form) will be mailed to shareholders. All of the above-mentioned documents will be published on the Company's website at the URL <http://www.chinasunsine.com/>, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

## *Dividend Policy*

The Company declared dividends every year since its IPO in 2007. The Company has adopted a Dividend Policy on 19 November 2025. Pursuant to the Dividend Policy, the Company will pay annual dividends, including interim dividends, of not less than 40% of the Group's consolidated net profit after tax, excluding non-recurring, one-off and exceptional items, in respect of FY2025 and FY2026. The Dividend Policy is subject to the Company's retained earnings, the Group's financial position, capital expenditure requirements, future expansion and investment plans, and other relevant factors as determined by the Board.

At the forthcoming AGM, the Board had recommended for shareholders' approval a one-tier tax exempt final dividend of S\$0.027 per ordinary share, comprising an ordinary dividend of S\$0.02 per ordinary share, and a special dividend of S\$0.007 per ordinary share. Together with the interim special dividend of SGD 0.005 per share paid in September 2025, the total dividends proposed for FY2025 amounted to S\$0.032 per ordinary share.

## **Engagement with Shareholders**

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

The Board is mindful of its obligations to provide timely and fair disclosure of material information to the SGX-ST in accordance with the Corporate Disclosure Policy as set out in the Listing Manual. The Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company.

Material information is communicated to shareholders in a timely manner through:

- (a) announcements of full year and half year financial results which are published via the SGXNet;
- (b) annual reports or circulars of the Company that are prepared and sent to all shareholders;
- (c) notices of AGMs and extraordinary general meetings published on SGXNet and the Company's corporate website;
- (d) press releases on major developments of the Group; and

- (e) the Company's website at [www.ChinaSunsine.com](http://www.ChinaSunsine.com) at which shareholders can access information on the Group.

The Company has an investor relations policy which provides for a mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company has an investor relations ("IR") manager who communicates with its shareholders, analysts and potential investors regularly and attends to their queries. Together with the CFO, the IR manager also manages the dissemination of corporate information to the public as well as institutional investors, and promotes relations with and act as liaison for such parties. The contact details of the CFO and IR manager are provided in the Company's website and in its press releases.

The Board establishes and maintains regular dialogue with its shareholders through analyst briefings and at general meetings. The AGM of the Company is the principal forum for dialogue and interaction with all shareholders. During FY2025, the Company held half-yearly briefings for shareholders on its financial results after each release of its results announcement, and it was noted that many shareholders participated in these briefings.

## (E) MANAGING STAKEHOLDER RELATIONSHIPS

### Engagement with Stakeholders

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group's key focus areas during FY2025 are ensuring sales and production equilibrium, ensuring environment friendly and safe production, ensuring the expansion projects were carried out smoothly and within the targeted timeline, enhancing customer satisfaction and employees' well-being, and contributing to community development.

The Group engages and manages its relationship with the key stakeholders through various means. Full details of the Group's strategy, areas of focus, methods of engagement can be found in the Company's Sustainability Report 2025.

In line with SGX's implementation of the Task Force on Climate-related Financial Disclosures framework, all Directors have attended sustainability training through courses certified by the SGX.

The Company maintains and updates its corporate website regularly with various information on the Group and the Company which serves as an important resource for investors and all stakeholders. The CFO and IR manager are the contact persons with whom the stakeholders may directly communicate, and their contact details are provided in the Company's corporate website and in its press releases.

## (F) OTHER CORPORATE GOVERNANCE MATTERS

### Dealings in Securities

The Group has adopted and implemented policies in line with Rule 1207(19) of the Listing Manual in relation to the dealing of shares of the Company. The policies have been made known to

# CORPORATE GOVERNANCE REPORT

directors, executive officers and any other persons as determined by Management who may possess unpublished material price-sensitive information of the Group.

The Group and its officers and employees are prohibited from trading in the Company's securities, during the period beginning (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the date of the announcement of the full year or half year results and ending on the date of such announcements ("**Prohibited Periods**"). Directors and employees are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

## **Interested Person Transactions**

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of interested person transactions ("**IPTs**"). All IPTs are subject to review by the AC to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders. On a quarterly basis, Management reports findings of IPTs, if any, during AC meetings.

In the event that a member of the AC is interested in any IPT, he or she will abstain from reviewing that particular transaction.

The Board will ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Listing Manual and accounting standards are complied with.

There were no IPTs of aggregate value exceeding S\$100,000 conducted during FY2025.

## **Material Contracts**

Pursuant to Rule 1207(8) of the Listing Manual, save for the Service Agreements entered into with the executive directors, no material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of each director or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

## PARTICULARS OF DIRECTORS AS AT THE DATE OF THIS ANNUAL REPORT

Name of Director	Age	Board Appointment Executive/ Non-Executive/ Independent	Date of First Appointment	Date of Last Re-appointment	Current Directorship / Chairmanship in other Listed Companies & Other Principal Commitments	Past (five years) Directorship in other Listed Companies & Other Principal Commitments
Xu Cheng Qiu	82	Executive Chairman	11 October 2006	29 April 2025	None	None
Xu Jun	55	Executive Director	18 May 2007	26 April 2024	None	None
Liu De Ming	54	Executive Director	30 April 2021	26 April 2024	None	None
Tong Yiping	47	Executive Director	30 March 2023	27 April 2023	None	None
Toh Shih Hua	50	Lead Independent Director	26 April 2024	29 April 2025	<p><u>Directorship in other Listed Companies:</u></p> <ul style="list-style-type: none"> <li>- Attika Group Ltd.</li> <li>- Eneco Energy Limited</li> </ul> <p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Genesis Capital Pte. Ltd.</li> </ul>	<p><u>Directorship in other Listed Company:</u></p> <ul style="list-style-type: none"> <li>- VibroPower Corporation Limited</li> <li>- Miyoshi Limited</li> <li>- Biolidics Limited</li> </ul>
Yan Tang Feng	56	Independent Director	26 September 2019	26 April 2024	<p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Sinolion Holdings Pte. Ltd.</li> <li>- Runhong Investment Holdings Pte. Ltd.</li> </ul>	None
Liang Cheng	57	Independent Director	30 March 2023	29 April 2025	<p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Jiangsu Chemical Industry Association Technical Committee</li> </ul>	<p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Director of the Department of Science and Technology Development of Sinopec Nanjing Chemical Industries Co., Ltd.</li> </ul>
Peh Siew Wee	62	Independent Director	26 April 2024	29 April 2025	<p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Corner First Management Consulting Pte. Ltd.</li> <li>- Westlake Health Resources Pte. Ltd.</li> </ul>	None
Thiew Zong Min, Michelle Magdalene	41	Independent Director	26 April 2024	29 April 2025	<p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Therme Group Services (Singapore) Pte Ltd</li> </ul>	None

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 59 to 111 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Xu Chengqiu  
Xu Jun  
Liu Deming  
Tong Yiping  
Toh Shih Hua  
Peh Siew Wee  
Yan Tangfeng  
Liang Cheng  
Thiew Zong Min, Michelle Magdalene

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
At 31.12.2025	At 1.1.2025	At 31.12.2025	At 1.1.2025

### China Sunsine Chemical Holdings Ltd.

(No. of ordinary shares)

Xu Chengqiu <sup>(a),(b)</sup>	-	-	551,023,100	593,023,100
Tong Yiping <sup>(c)</sup>	-	-	120,000	120,000
Yan Tangfeng <sup>(d)</sup>	70,000	-	1,782,000	1,692,000

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

## Directors' interests in shares or debentures (continued)

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2025	At 1.1.2025	At 31.12.2025	At 1.1.2025
<b>Immediate and Ultimate Holding Corporation - Success More Group Ltd</b>				
<u>(No. of ordinary shares)</u>				
Xu Chengqiu <sup>(a)</sup>	<b>7,427</b>	7,427	-	-
Xu Jun	<b>812</b>	812	-	-

<sup>(a)</sup> Xu Chengqiu owns 74.27% of the issued share capital of Success More Group Ltd which owns 545,285,100 shares in the Company, and as such, by virtue of Section 7 of the Companies Act 1967 of Singapore, is deemed to have an interest in the Company and its subsidiary corporations.

<sup>(b)</sup> 5,738,000 shares in the deemed interests of Xu Chengqiu arises from shares held by the nominee, UOB Kay Hian Pte. Ltd.

<sup>(c)</sup> 120,000 shares in the deemed interests of Tong Yiping arises from shares held by the nominee, Maybank Securities Pte Ltd.

<sup>(d)</sup> 1,782,000 shares in the deemed interests of Yan Tangfeng arises from shares held by the nominee, DBS Nominee (Private) Limited.

The directors' interests in the ordinary shares of the Company as at 21 January 2026 were the same as those as at 31 December 2025.

## Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

## Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Toh Shih Hua (Chairman)  
Yan Tangfeng  
Liang Cheng

All members of the Audit Committee were independent non-executive directors. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan and audit findings of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company as at 31 December 2025 and the consolidated financial statements of the Group for the financial year ended 31 December 2025 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

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Xu Chengqiu  
Director

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Xu Jun  
Director

27 March 2026

# INDEPENDENT AUDITOR'S REPORT

To the Members of China SunSine Chemical Holdings Ltd.

## Report on the Audit of the Financial Statements

### *Our opinion*

We have audited the accompanying consolidated financial statements of China SunSine Chemical Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 59 to 111 to the financial statements.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

To the Members of China Sunsine Chemical Holdings Ltd.

*Key Audit Matters (continued)*

## **Revenue recognition**

Refer to Note 2.2 and Note 4 to the financial statements.

### ***Area of focus***

The Group derives revenue primarily from the sale of rubber chemicals, which is recognised at a point in time, whereby the control of the products has been transferred to the customers, being when the products are delivered to the customers and are accepted by the customers. For export sales, revenue is recognised at a point in time when the customers obtain control of the goods, based on the applicable shipping terms. The Group also generates revenue from the provision of heating power and waste treatment, which is recognised at a point in time when the services or goods are consumed by or delivered to the customers. For the financial year ended 31 December 2025, the Group recognised total revenue of RMB3,277,392,000.

We focused on this area as a key audit matter due to the presumed fraud risk relating to revenue recognition. Revenue is one of the key performance indicators and represents the most significant item in the Group's financial statements. In addition, the large volume of transactions and the potential existence for management override of controls increase the inherent risk of material misstatement in the revenue recognised.

### ***How our audit addressed the area of focus***

In obtaining sufficient audit evidence, the following procedures have been performed:

- Reviewed and assessed that the Group's revenue recognition policy is in accordance with SFRS(I) 15 *Revenue from Contracts with Customers* and has been consistently applied within the Group;
- Evaluated the design and implementation of internal controls relating to revenue and receivables and tested the operating effectiveness;
- Performed analytical procedures to identify unusual fluctuations or trends and areas where there is a higher risk of misstatement;
- Reviewed management journal entries to detect any unusual transactions in relation to revenue for evidence of fraud and/or management override;
- Performed substantive test of details of revenue transactions throughout the financial year on a sampling basis through validation of supporting documents;
- Performed cut-off test to ascertain that revenue has been properly taken up in the appropriate financial year;
- Reviewed credit notes issued subsequent to the end of the financial year and ascertained that revenue is adjusted accordingly, if any; and
- Reviewed the adequacy and appropriateness of corresponding disclosures in relation to revenue from contracts with customers made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of China SunSine Chemical Holdings Ltd.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

# INDEPENDENT AUDITOR'S REPORT

To the Members of China Sunsine Chemical Holdings Ltd.

## *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company has been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

**CLA Global TS Public Accounting Corporation**  
**Public Accountants and Chartered Accountants**

**Singapore**  
**27 March 2026**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	3,277,392	3,515,528
Cost of sales		(2,507,096)	(2,665,496)
Gross profit		770,296	850,032
Other income - net			
- Interest	7	67,438	55,631
- Others	7	38,665	54,783
Other gains/(losses) - net			
- Fair value loss on financial assets, measured at fair value through profit or loss ("FVPL")	17	(8,798)	-
- Currency exchange (losses)/gains, net		(20,875)	28,103
- Gain on disposal of property, plant and equipment and intangible assets		-	4,993
- Reversal of loss allowance on trade receivables, net	26(b)	1,250	2,088
- Write-off of property, plant and equipment		(2,916)	(2,910)
Expenses			
- Distribution and marketing		(118,984)	(110,921)
- Administrative		(217,289)	(210,545)
- Research and development		(5,217)	(86,194)
Profit before income tax		503,570	585,060
Income tax expense	8(a)	(98,638)	(161,198)
<b>Net profit</b>		<b>404,932</b>	<b>423,862</b>
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	22(b)(v)	8,762	(2,780)
Other comprehensive income/(loss), net of tax		8,762	(2,780)
<b>Total comprehensive income</b>		<b>413,694</b>	<b>421,082</b>
<b>Net profit attributable to:</b>			
Equity holders of the Company		404,932	423,863
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		413,694	421,082
<b>Earnings per share for net profit attributable to equity holders of the Company (RMB cents per share)</b>			
Basic and diluted earnings per share	9	42.47	44.34

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	2,328,940	2,073,860	24,756	28,930
Trade and other receivables	11	995,550	1,136,531	181,191	222,252
Inventories	12	360,241	363,637	-	-
Asset held-for-sale	13	-	-	-	-
		<b>3,684,731</b>	<b>3,574,028</b>	<b>205,947</b>	<b>251,182</b>
<b>Non-current assets</b>					
Investments in subsidiary corporations	14	-	-	350,010	350,010
Property, plant and equipment	15	940,836	835,039	49	198
Intangible assets	16	194,677	199,176	-	-
Other receivables, at FVPL	17	61,984	70,782	-	-
		<b>1,197,497</b>	<b>1,104,997</b>	<b>350,059</b>	<b>350,208</b>
<b>Total assets</b>		<b>4,882,228</b>	<b>4,679,025</b>	<b>556,006</b>	<b>601,390</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	19	334,293	311,073	14,136	14,572
Deferred grants	20	6,752	5,450	-	-
Current income tax liabilities	8(b)	103,620	153,823	4,768	4,616
		<b>444,665</b>	<b>470,346</b>	<b>18,904</b>	<b>19,188</b>
<b>Total liabilities</b>		<b>444,665</b>	<b>470,346</b>	<b>18,904</b>	<b>19,188</b>
<b>NET ASSETS</b>		<b>4,437,563</b>	<b>4,208,679</b>	<b>537,102</b>	<b>582,202</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	21(a)	313,471	313,471	313,471	313,471
Treasury shares	21(b)	(67,079)	(67,079)	(67,079)	(67,079)
Other reserves	22	908,458	885,152	59,415	50,655
Retained profits	23	3,282,713	3,077,135	231,295	285,155
<b>Total equity</b>		<b>4,437,563</b>	<b>4,208,679</b>	<b>537,102</b>	<b>582,202</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Note	Share capital RMB'000	Treasury shares RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory common reserve RMB'000	Voluntary common reserve RMB'000	Currency translation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
<b>2025</b>									
<b>Beginning of the financial year</b>	313,471	(67,079)	305	54,627	417,254	417,253	(4,287)	3,077,135	4,208,679
Total comprehensive income for the financial year	-	-	-	-	-	-	8,762	404,932	413,694
Transfer to statutory and voluntary reserves	-	-	-	-	7,272	7,272	-	(14,544)	-
Dividends paid	-	-	-	-	-	-	-	(184,810)	(184,810)
<b>End of the financial year</b>	<b>313,471</b>	<b>(67,079)</b>	<b>305</b>	<b>54,627</b>	<b>424,526</b>	<b>424,525</b>	<b>4,475</b>	<b>3,282,713</b>	<b>4,437,563</b>
<b>2024</b>									
<b>Beginning of the financial year</b>	313,471	(54,526)	305	54,627	379,260	379,259	(1,507)	2,855,667	3,926,556
Total comprehensive (loss)/income for the financial year	-	-	-	-	-	-	(2,780)	423,862	421,082
Transfer to statutory and voluntary reserves	-	-	-	-	37,994	37,994	-	(75,988)	-
Purchase of treasury shares	-	(12,553)	-	-	-	-	-	-	(12,553)
Dividends paid	-	-	-	-	-	-	-	(126,406)	(126,406)
<b>End of the financial year</b>	<b>313,471</b>	<b>(67,079)</b>	<b>305</b>	<b>54,627</b>	<b>417,254</b>	<b>417,253</b>	<b>(4,287)</b>	<b>3,077,135</b>	<b>4,208,679</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Net profit		404,932	423,862
Adjustments for:			
- Income tax expense	8(a)	98,638	161,198
- Amortisation and depreciation	5	145,966	132,951
- Gain on disposal of property, plant and equipment and intangible assets		-	(4,993)
- Reversal of loss allowance on trade receivables, net	26(b)	(1,250)	(2,088)
- Write-off of property, plant and equipment		2,916	2,910
- Fair value loss on financial assets, at FVPL	17	8,798	-
- Interest income		(67,438)	(55,631)
- Unrealised currency exchange losses/(gains)		15,124	(9,810)
		<b>607,686</b>	<b>648,399</b>
<b>Change in working capital</b>			
- Inventories		3,396	(22,348)
- Trade and other receivables		140,981	97,212
- Trade and other payables		23,220	(48,076)
- Deferred grants		1,302	170
Cash generated from operations		<b>776,585</b>	<b>675,357</b>
Income tax paid	8(b)	(148,959)	(102,156)
<b>Net cash provided by operating activities</b>		<b>627,626</b>	<b>573,201</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	15	(251,229)	(110,042)
Additions to intangible assets	16	(60)	(3,746)
Disposal of property, plant and equipment		1,109	2,879
Interest received		67,438	55,631
<b>Net cash used in investing activities</b>		<b>(182,742)</b>	<b>(55,278)</b>
<b>Cash flows from financing activities</b>			
Decrease in bank deposits pledged		-	1,600
Purchase of treasury shares	21(b)	-	(12,553)
Dividends paid to equity holders of the Company	24	(184,810)	(126,406)
<b>Net cash used in financing activities</b>		<b>(184,810)</b>	<b>(137,359)</b>
<b>Net increase in cash and cash equivalents</b>		<b>260,074</b>	<b>380,564</b>
<b>Cash and cash equivalents</b>			
Beginning of the financial year		2,073,860	1,686,316
Effects of currency translation on cash and cash equivalents		(4,994)	6,980
<b>End of the financial year</b>	10	<b>2,328,940</b>	<b>2,073,860</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1 General information

China Sunsine Chemical Holdings Ltd. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The registered office and the principal place of business is located at 16 Raffles Quay #15-08 Hong Leong Building, Singapore 048581.

The immediate and ultimate holding corporation of the Company is Success More Group Ltd (“Success More”), a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are set out in Note 14 to the financial statements.

## 2 Material accounting policy information

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the material accounting policies below. The financial statements are presented in Chinese Renminbi (“RMB”) and have been rounded to the nearest thousand (‘000), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

#### ***Interpretations and amendments to published standards effective in 2025***

On 1 January 2025, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I)s and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

### 2.2 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group’s activities. Revenues are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

Revenue from sales of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.2 Revenue (continued)

#### (a) Sale of rubber chemicals

Local sales are recognised at a point in time when the products are delivered to the customer and are accepted by the customer.

Export sales are recognised at a point in time when the customers obtain control of the products, based on the applicable shipping terms.

#### (b) Provision of heating power

Revenue is recognised at a point in time when the steam has been supplied and utilised by the customer. The consumption of steam is measured by meters installed.

#### (c) Waste treatment

Revenue is recognised at a point in time when the chemical waste has been treated.

#### (d) Interest income

Interest income is recognised using the effective interest rate method.

#### (e) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

#### (f) Sale of scrap materials

Income from the sale of scrap materials, is recognised at a point in time when the customers obtain control of the scrap materials, and the proceeds can be reliably measured.

### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.4 Group accounting

#### *Subsidiary corporations*

##### *(a) Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### *(b) Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.4 Group accounting (continued)

#### *Subsidiary corporations* (continued)

##### (b) *Acquisitions* (continued)

Acquisitions of entities under common control have been accounted for using the pooling-of-interest method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;
- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;
- The consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control;
- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and
- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged entity is taken to merger reserve.

##### (c) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Grants received or receivable for the acquisition of property, plant and equipment are deducted from the cost of the asset.

#### (b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Plant and machinery	10 years
Buildings	12 to 20 years
Motor vehicles	5 to 8 years
Office equipment	5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

The estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.5 *Property, plant and equipment* (continued)

#### (d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) - net".

### 2.6 *Intangible assets*

#### Land use rights

Land use rights are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 50 years, which is the shorter of their estimated useful lives and periods of contractual rights.

### 2.7 *Investments in subsidiary corporations*

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### 2.8 *Impairment of non-financial assets*

#### *Property, plant and equipment*

#### *Intangible assets*

#### *Investments in subsidiary corporations*

Property, plant and equipment, intangible assets and investments in subsidiary corporations are tested for impairment annually for any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.9 Financial assets

#### (a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

#### At subsequent measurement

##### *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) - net"

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.9 Financial assets (continued)

#### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

### 2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Trade payables settled via electronic cash transfer are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.12 Leases

*When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

### 2.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

### 2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.14 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

### 2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (b) Defined contribution plans – retirement benefits

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the PRC subsidiary corporations of the Group ("PRC Subsidiary Corporations") have participated in central pension schemes ("the Schemes") operated by local municipal government whereby the PRC Subsidiary Corporations are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund its retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiary Corporations. The only obligation of the PRC Subsidiary Corporations with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to profit or loss when incurred.

#### (c) Bonus plan

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the net profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.16 Currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The Company’s functional currency is Singapore Dollar (“SGD”). The financial statements are presented in Chinese Renminbi (“RMB”) as the functional currency of the Group’s operating subsidiary corporations is Chinese Renminbi.

#### (b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets and financial liabilities.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented within “Other gains/(losses) – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### (c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2 Material accounting policy information (continued)

### 2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whom are responsible for allocating resources and assessing performance of the operating segments.

### 2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### 2.19 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

### 2.20 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

### 2.21 Assets held-for-sale

Assets which were previously classified as property, plant and equipment and intangible assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) *Expected credit loss allowance on trade receivables*

Expected credit losses (ECL) on trade receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements. In determining the ECL of trade receivables, the Group has used historical loss data to determine the loss rate and applied an adjustment against the historical loss rate based on the default rate to reflect the current and forward-looking information. At the end of each financial year, historical default rates are updated and changes in the forward-looking estimates are analysed.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

As at 31 December 2025, the carrying amount of the Group's trade receivables amounted to RMB634,927,000 (2024: RMB713,096,000) which arose from the Group's different revenue segments - sale of rubber chemicals, provision of heating power and waste treatment, net of loss allowance of RMB4,094,000 (2024: RMB5,344,000).

The Group's credit risk exposure for trade receivables are set out in Note 26(b) to the financial statements.

### (b) *Fair value measurement of non-current other receivables, classified at FVPL*

The valuation of non-current other receivables, classified at FVPL involves estimates, assumptions and judgement based upon available information and due to the inherent uncertainty of valuation, the estimated fair value may differ significantly from the amounts that might ultimately be realised and the differences could be material.

The fair value of the non-current other receivables, classified at FVPL, is determined using a valuation technique based on the discounted cash flow method. Inputs to this valuation technique are derived from observable market data where possible. However, where this is not feasible, significant estimates are required to determine the fair value. The key estimates include the expected timing of repayment and the discount rate applied. Changes in these assumptions used in these estimates could affect the fair value of non-current other receivables, classified at FVPL.

The carrying amount of the Group's other receivables, at FVPL are set out in Note 17 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4 Revenue

### (a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time for the following operating segments and geographical regions. Revenue is attributed to countries by location of customers.

	Group	
	2025 RMB'000	2024 RMB'000
Sale of rubber chemicals		
- People's Republic of China	<b>1,808,948</b>	1,970,086
- Rest of Asia	<b>1,085,893</b>	1,152,957
- America	<b>65,327</b>	84,242
- Europe	<b>197,466</b>	199,705
- Others	<b>74,899</b>	66,945
	<b>3,232,533</b>	3,473,935
Provision of heating power		
- People's Republic of China	<b>16,165</b>	18,384
Waste treatment		
- People's Republic of China	<b>28,694</b>	23,209
Total	<b>3,277,392</b>	3,515,528

### (b) Contract liabilities

	Group		
	31 December		1 January
	2025 RMB'000	2024 RMB'000	2024 RMB'000
Waste treatment (Note 19)	<b>22,815</b>	35,224	33,679

Contract liabilities relate to consideration received from customers for waste services that have not yet been performed. Revenue will be recognised when the waste treatment services are provided to the customers and the corresponding performance obligations are satisfied.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4 Revenue (continued)

(c) Revenue recognised in relation to contract liabilities

	Group	
	2025	2024
	RMB'000	RMB'000
Revenue recognised in current period that was included in contract liabilities balance at the beginning of the period	<b>35,224</b>	33,679

(d) Trade receivables from contracts with customers

	Group		
	31 December		1 January
	2025	2024	2024
	RMB'000	RMB'000	RMB'000
<u>Current assets</u>			
Trade receivables from contracts with customers (Note 11)	<b>639,021</b>	718,440	719,498
Loss allowance (Note 11)	<b>(4,094)</b>	(5,344)	(7,432)
	<b>634,927</b>	713,096	712,066

## 5 Expenses by nature

	Group	
	2025	2024
	RMB'000	RMB'000
Purchases of inventories	<b>1,903,580</b>	2,096,800
Amortisation of intangible assets (Note 16)	<b>4,559</b>	4,238
Depreciation of property, plant and equipment (Note 15)	<b>141,407</b>	128,713
Total amortisation and depreciation	<b>145,966</b>	132,951
Directors' fees	<b>3,231</b>	1,282
Employee compensation (Note 6)	<b>282,073</b>	296,320
Auditor's remuneration paid/payable to:		
- Auditor of the Company	<b>1,451</b>	1,444
Other fees paid/payable to:		
- Other auditors	<b>222</b>	208
Freight charges	<b>57,953</b>	57,389
Port charges	<b>37,089</b>	29,301
Research activities expense (excluding salaries and depreciation)	<b>2,350</b>	67,557
Utilities	<b>285,934</b>	301,593
Lease expense – short-term leases (Note 18(a))	<b>404</b>	427
Other expenses	<b>124,937</b>	110,232
Changes in inventories	<b>3,396</b>	(22,348)
Total cost of sales, distribution and marketing, administrative and research and development expenses	<b>2,848,586</b>	3,073,156

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 6 Employee compensation

	Group	
	2025 RMB'000	2024 RMB'000
Wages and salaries	243,666	265,760
Employer's contribution to defined contribution plans including Central Provident Fund	38,407	30,560
	<b>282,073</b>	<b>296,320</b>

## 7 Other income - net

	Group	
	2025 RMB'000	2024 RMB'000
Interest income on financial assets measured at amortised cost - bank deposits	67,438	55,631
Gain on sale of scrap materials	41,863	21,068
Government compensation (Note 17)	-	33,159
Government grant	11	11
Others	(3,209)	545
	<b>38,665</b>	<b>54,783</b>
	<b>106,103</b>	<b>110,414</b>

## 8 Income taxes

(a) *Income tax expense*

	Group	
	2025 RMB'000	2024 RMB'000
Tax expense attributable to profit is made up of:		
<u>Profit for the financial year:</u>		
Current income tax		
- Singapore	10,414	9,038
- Foreign – The People's Republic of China	138,224	152,160
	<b>148,638</b>	<b>161,198</b>
Over-provision of current income tax in prior financial years:		
- Foreign – The People's Republic of China	(50,000)	-
	<b>98,638</b>	<b>161,198</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8 Income taxes (continued)

### (a) Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the income tax rate of the principal place of operation of the Group as follows:

	Group	
	2025 RMB'000	2024 RMB'000
Profit before income tax	<b>503,570</b>	585,060
Tax calculated at tax rate of 25% (2024: 25%)	<b>125,893</b>	146,265
Effects of:		
- different tax rates in other country	<b>6,540</b>	4,648
- income not subject to tax	<b>(6,995)</b>	(2,721)
- expenses not deductible for tax purposes	<b>10,389</b>	2,399
- withholding tax on foreign dividend income	<b>10,413</b>	9,038
- deferred income tax assets not recognised	<b>2,397</b>	1,569
- over-provision in prior financial years	<b>(50,000)</b>	-
Tax charge	<b>98,638</b>	161,198

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profit is probable. The Group has unrecognised tax losses of RMB337,154,000 (2024: RMB327,566,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by the Company. The tax losses have no expiry date.

Deferred income tax liabilities of approximately RMB152,571,000 (2024: RMB139,599,000) have not been recognised for withholding taxes that would be payable on unremitted earnings of the Group's subsidiary corporations (established in People's Republic of China) as the Group is in a position to control the timing of the remittance of earnings and it is not probable that these subsidiary corporations will distribute such earnings in the foreseeable future.

### (b) Movement in current income tax liabilities

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Beginning of the financial year	<b>153,823</b>	94,829	<b>4,616</b>	4,632
Currency translation differences	<b>118</b>	(48)	<b>119</b>	(48)
Income tax paid	<b>(148,959)</b>	(102,156)	<b>(10,381)</b>	(9,006)
Tax expense	<b>148,638</b>	161,198	<b>10,414</b>	9,038
Over-provision in prior financial years	<b>(50,000)</b>	-	-	-
End of the financial year	<b>103,620</b>	153,823	<b>4,768</b>	4,616

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 9 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	<u>2025</u>	<u>2024</u>
Net profit attributable to equity holders of the Company (RMB'000)	<u>404,932</u>	423,862
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	<u>953,383</u>	955,945
Basic and diluted earnings per share (RMB cents)	<u>42.47</u>	44.34

There are no dilutive potential ordinary shares during the financial years ended 31 December 2025 and 2024 respectively.

## 10 Cash and cash equivalents

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	1,474,022	920,909	24,756	28,930
Short-term bank deposits	854,918	1,152,951	-	-
	<u>2,328,940</u>	<u>2,073,860</u>	<u>24,756</u>	<u>28,930</u>

## 11 Trade and other receivables

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Notes receivables	256,802	326,977	-	-
Trade receivables				
- Non-related parties	639,021	718,440	-	-
Less: Loss allowance (Note 26(b))	(4,094)	(5,344)	-	-
Trade receivables - net	634,927	713,096	-	-
Other receivables				
- Non-related parties	18,926	13,158	55	184
- Subsidiary corporations	-	-	181,034	222,068
	18,926	13,158	181,089	222,252
Advances to suppliers	81,066	79,304	-	-
Deposits	349	20	102	-
Prepayments	3,480	3,976	-	-
	<u>995,550</u>	<u>1,136,531</u>	<u>181,191</u>	<u>222,252</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11 Trade and other receivables (continued)

Notes receivables are promissory notes issued by local banks and received in the course of business transactions. These notes are considered to have a low risk of non-recoverability. In the People's Republic of China, notes receivable can generally be transferred or endorsed by one party to another, enabling the specified amount to be paid within the maturity date, with no specific restrictions.

The other receivables from subsidiary corporations are non-trade in nature, unsecured, interest-free and repayable on demand. As at 31 December 2025, the other receivables from subsidiary corporations included dividend receivables of RMB168,000,000 (2024: RMB210,000,000).

## 12 Inventories

	Group	
	2025 RMB'000	2024 RMB'000
Raw materials	183,536	177,546
Finished/trading goods	176,705	186,091
	<u>360,241</u>	<u>363,637</u>

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to RMB1,906,976,000 (2024: RMB2,074,452,000).

## 13 Assets held-for-sale

The Group's subsidiary corporation, Shandong Sheng Tao Chemical Co., Ltd ("Shengtao") had ceased its operations and relocated its moveable assets to one of the Group's subsidiary corporation, Shandong Hengshun New Materials Co., Ltd in prior financial years. However, part of Shengtao's non-current assets, including land use rights, infrastructure, etc cannot be relocated and had been reclassified as assets held-for-sale in prior financial years. As at 31 December 2024, Management was still in the process of negotiating with the local authority on the compensation for these assets although the valuation for most of the assets had been concluded by the valuer appointed by the local authority. Management had assessed that it is unlikely that the compensation negotiations would be finalised and settled within the next 12-month period, and was also unable to ascertain an exact finalisation date. As such, assets held-for-sale were reclassified back to non-current assets in accordance with the relevant SFRS(I) as at 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13 Assets held-for-sale (continued)

	Group	
	2025 RMB'000	2024 RMB'000
Beginning of the financial year	-	20,343
Reclassification to property, plant and equipment (Note 15)		
- Cost	-	(44,808)
- Accumulated depreciation	-	27,700
	-	(17,108)
Reclassification to intangible assets (Note 16)		
- Cost	-	(4,201)
- Accumulated amortisation	-	966
	-	(3,235)
End of the financial year	-	-

## 14 Investments in subsidiary corporations

	Company	
	2025 RMB'000	2024 RMB'000
<i>Equity investments at cost</i>		
Beginning and end of the financial year	<b>350,010</b>	350,010

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14 Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2025 and 2024:

Name of the entities	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent and the Group	
			2025 %	2024 %
<u>Held by the Company</u>				
Shandong Sunsine Chemical Co.,Ltd <sup>(a),(b)</sup>	Manufacturing and sale of rubber chemicals, comprising rubber accelerators, anti-oxidant agents, anti-scorching agents and insoluble sulphur	People's Republic of China	100	100
<u>Held by Shandong Sunsine Chemical Co.,Ltd</u>				
Weifang Sunsine Chemical Co., Ltd <sup>(b),(c)</sup>	Manufacturing and sale of rubber chemicals, including rubber accelerators	People's Republic of China	100	100
Shandong Sheng Tao Chemical Co., Ltd <sup>(b),(c)</sup>	Manufacturing and sale of rubber chemicals, including insoluble sulphur (ceased operations)	People's Republic of China	100	100
Shanxian Sunsine Hotel Management Co., Ltd <sup>(c),(d)</sup>	Hotel Investment and management (dormant)	People's Republic of China	100	100
Shanxian Guangshun Heating Co., Ltd <sup>(b),(c)</sup>	Production and supply of heating power, including preparation and implementation of the project	People's Republic of China	100	100
Shandong Hengshun New Materials Co., Ltd <sup>(b),(c)</sup>	Manufacturing and sale of chemical agents and rubber chemicals	People's Republic of China	100	100
Heze Yongshun Environmental Protection Technology Co., Ltd <sup>(b),(c)</sup>	Waste treatment	People's Republic of China	100	100
<u>Held by Shanxian Sunsine Hotel Management Co., Ltd</u>				
Shandong Fulong Villa Co., Ltd <sup>(b),(c)</sup>	Hote and restaurant (ceased operations)	People's Republic of China	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14 Investments in subsidiary corporations (continued)

- (a) Audited by Shan Dong He Hua United Certified Public Accountants for local statutory purposes.
- (b) For the purposes of preparing the consolidated financial statements of the Group, these financial statements have been audited by Shanghai CLA Global TS Certified Public Accountants.
- (c) Not required to be audited under the laws of the country of incorporation.
- (d) The subsidiary corporation was dormant during the financial years ended 31 December 2025 and 2024 respectively.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

### *Significant restrictions*

As at 31 December 2025, cash and short-term deposits of the Group of RMB2,304,184,000 (2024: RMB2,044,930,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15 Property, plant and equipment

<u>Group</u>	Plant and machinery	Buildings	Motor vehicles	Office equipment	Assets under construction	Total
<u>2025</u>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Cost</i>						
Beginning of the financial year	1,236,156	635,020	12,553	39,226	247,092	2,170,047
Additions	110,145	40,604	1,203	13,953	85,324	251,229
Disposal	(5,935)	-	-	-	-	(5,935)
Write-off	(21,732)	(268)	(166)	(274)	(364)	(22,804)
Reclassification	63,973	14,926	12	3,501	(82,412)	-
End of the financial year	<b>1,382,607</b>	<b>690,282</b>	<b>13,602</b>	<b>56,406</b>	<b>249,640</b>	<b>2,392,537</b>
<i>Accumulated depreciation and impairment losses</i>						
Beginning of the financial year	959,630	330,372	11,302	31,794	1,910	1,335,008
Depreciation charge (Note 5)	94,083	40,899	1,287	5,138	-	141,407
Disposal	(4,826)	-	-	-	-	(4,826)
Write-off	(19,274)	(223)	(133)	(258)	-	(19,888)
End of the financial year	<b>1,029,613</b>	<b>371,048</b>	<b>12,456</b>	<b>36,674</b>	<b>1,910</b>	<b>1,451,701</b>
<b>Net book value</b>						
End of the financial year	<b>352,994</b>	<b>319,234</b>	<b>1,146</b>	<b>19,732</b>	<b>247,730</b>	<b>940,836</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15 Property, plant and equipment (continued)

	Plant and machinery		Buildings		Motor vehicles		Office equipment		Assets under construction		Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Group</b>											
<b>2024</b>											
<i>Cost</i>											
Beginning of the financial year	1,221,199	600,951	13,502	38,903	207,807	2,082,362					
Additions	25,208	2,451	207	1,463	80,713	110,042					
Reclassification from assets held-for-sale (Note 13)	-	44,808	-	-	-	44,808					
Disposal	(65)	(13,308)	-	(1,672)	(22,690)	(37,735)					
Write-off	(27,479)	(261)	(1,190)	(500)	-	(29,430)					
Reclassification	17,293	379	34	1,032	(18,738)	-					
End of the financial year	1,236,156	635,020	12,553	39,226	247,092	2,170,047					
<i>Accumulated depreciation and impairment losses</i>											
Beginning of the financial year	892,330	283,023	10,905	30,444	1,910	1,218,612					
Depreciation charge (Note 5)	92,206	31,631	1,463	3,413	-	128,713					
Reclassification from assets held-for-sale (Note 13)	-	27,700	-	-	-	27,700					
Disposal	(62)	(11,742)	-	(1,693)	-	(13,497)					
Write-off	(24,844)	(240)	(1,066)	(370)	-	(26,520)					
End of the financial year	959,630	330,372	11,302	31,794	1,910	1,335,008					
<b>Net book value</b>											
<b>End of the financial year</b>	<b>276,526</b>	<b>304,648</b>	<b>1,251</b>	<b>7,432</b>	<b>245,182</b>	<b>835,039</b>					

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15 Property, plant and equipment (continued)

	Renovation RMB'000	Office equipment RMB'000	Total RMB'000
<b><u>Company</u></b>			
<b>2025</b>			
<i>Cost</i>			
Beginning and end of the financial year	386	58	444
<i>Accumulated depreciation</i>			
Beginning of financial year	228	18	246
Depreciation charge	137	12	149
End of the financial year	365	30	395
<b><i>Net book value</i></b>			
<b>End of the financial year</b>	<b>21</b>	<b>28</b>	<b>49</b>
<b>2024</b>			
<i>Cost</i>			
Beginning and end of the financial year	386	58	444
<i>Accumulated depreciation</i>			
Beginning of financial year	97	6	103
Depreciation charge	131	12	143
End of the financial year	228	18	246
<b><i>Net book value</i></b>			
<b>End of the financial year</b>	<b>158</b>	<b>40</b>	<b>198</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 16 Intangible assets

	Group	
	2025	2024
	RMB'000	RMB'000
<u>Land use rights</u>		
<i>Cost</i>		
Beginning of the financial year	226,244	232,809
Additions	60	3,746
Disposal	-	(14,512)
Reclassification from assets held-for-sale (Note 13)	-	4,201
End of the financial year	<b>226,304</b>	226,244
<i>Accumulated amortisation</i>		
Beginning of the financial year	27,068	25,562
Amortisation charge (Note 5)	4,559	4,238
Disposal	-	(3,698)
Reclassification from assets held-for-sale (Note 13)	-	966
End of the financial year	<b>31,627</b>	27,068
<b>Net book value</b>	<b>194,677</b>	199,176

The amortisation charge for the financial year of RMB4,559,000 (2024: RMB4,238,000) is included in the consolidated statement of comprehensive income as part of the administrative expenses.

Land use rights are related to the following parcels of land:

Location	Period	Land area (sqm)
<b>Facility 1</b>		
Intersection of Beiyuan Road and East Outer Ring Road, Shanxian	50 years (expiring on 5 Sep 2056)	162,087
Intersection of Beiyuan Road and East Outer Ring Road, Shanxian	50 years (expiring on 29 Jan 2066)	55,562
Intersection of Beiyuan Road and East Outer Ring Road, Shanxian	50 years (expiring on 31 Oct 2059)	89,109
Intersection of Beiyuan Road and East Outer Ring Road, Shanxian	NA <sup>(1)</sup>	110,514
Intersection of Beiyuan Road and East Outer Ring Road, Shanxian	NA <sup>(1)</sup>	45,187
		<b>462,459</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 16 Intangible assets (continued)

Land use rights are related to the following parcels of land: (continued)

Location	Period	Land area (sqm)
<b>Facility 2</b>		
Bin Hai Economic Development Area, Weifang	50 years (expiring on 13 Jun 2061)	187,852
<b>Facility 3</b>		
Zhuji County, Changjiang Road North, Chenji, Dingtao	50 years (expiring on 2 Sep 2064)	59,942
Zhuji County, Changjiang Road North, Chenji, Dingtao	NA <sup>(2)</sup>	126,725
		<u>186,667</u>
<b>Facility 4</b>		
Economic and Technological Development Zone, Shanxian	50 years (expiring on 26 Dec 2063)	46,175
Economic and Technological Development Zone, Shanxian	NA <sup>(3)</sup>	80,492
		<u>126,667</u>
<b>Facility 6</b>		
Economic and Technological Development Zone, Shanxian	50 years (expiring on 26 Dec 2063)	43,526
Economic and Technological Development Zone, Shanxian	50 years (expiring on 4 Jul 2062)	99,972
		<u>143,498</u>
<b>Facility 7</b>		
Economic and Technological Development Zone, Shanxian	50 years (expiring on 29 Jul 2071)	40,000
Economic and Technological Development Zone, Shanxian	50 years (expiring on 25 Aug 2072)	47,874
Economic and Technological Development Zone, Shanxian	50 years (expiring on 25 Aug 2072)	72,918
East Outer Ring Road, Shanxian, Pengqiao Village, Xiejizhen	50 years (expiring on 20 Jan 2074)	515
East Outer Ring Road, Shanxian, Pengqiao Village, Xiejizhen	50 years (expiring on 20 Jan 2074)	10,888
		<u>172,195</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 16 Intangible assets (continued)

Land use rights are related to the following parcels of land: (continued)

Location	Period	Land area (sqm)
<b>Facility 8</b>		
Economic and Technological Development Zone, Shanxian	50 years (expiring on 28 Jan 2070)	62,857
Economic and Technological Development Zone, Shanxian	50 years (expiring on 4 Aug 2070)	144,004
Economic and Technological Development Zone, Shanxian	50 years (expiring on 29 Jul 2071)	15,475
Economic and Technological Development Zone, Shanxian	50 years (expiring on 29 Jul 2071)	89,955
Economic and Technological Development Zone, Shanxian	50 years (expiring on 15 Dec 2072)	138,726
		<u>451,017</u>

<sup>(1)</sup> The land for Facility 1 is where Shandong Sunshine Chemical Co., Ltd's ("Shandong Sunshin") chemical factories are built. However, its full rights to the properties (comprising building and land) is subject to the grant of the land use rights for the land on which the buildings are erected. Shandong Sunshin has obtained construction permission from the local authority of Shanxian County in prior financial year but has yet to receive the land use rights certificates as at the date of authorisation of these financial statements.

<sup>(2)</sup> The land for Facility 3 is where Shengtao's factory building is built. However, its full rights to the properties (comprising factory building and land) is subject to the grant of the land use rights for the land on which the building are erected. Shengtao has obtained construction permission from the local authority of Dingtao County in prior financial years but has yet to receive the land use rights certificates as at the date of authorisation of these financial statements.

<sup>(3)</sup> The land for Facility 4 is where Shanxian Guangshun Heating Co., Ltd's ("Guangshun") factory is built. However, its full rights to the properties (comprising building and land) is subject to the grant of the land use rights for the land on which the buildings are erected. Guangshun has obtained construction permission from the local authority of Shanxian County in prior financial years but has yet to receive the land use rights certificates as at the date of authorisation of these financial statements.

Notwithstanding that the Group has not obtained the relevant legal title of certain land use rights, Management considers that the Group has obtained the right to use through contractual arrangement with the local government agency.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 17 Other receivables, at FVPL – non-current assets

On 29 October 2024, the Group's subsidiary, Shandong Fulong Villa Co., Ltd ("Fulong Villa") disposed of its property, plant and equipment and intangible assets to Shanxian County Government ("Shanxian Government") for a cash consideration of RMB37,623,000 ("Consideration") and ceased its operations. The rationales for these disposals are: (1) The Shanxian Government plans to re-develop the entire Fulong Lake area into a tourist destination, and intends to take over Fulong Villa for easier management; and (2) the Group intends to focus on its core business activities of manufacturing and sale of rubber chemicals. The consideration was arrived at on a willing-buyer and willing-seller basis, after taking into consideration the audited results of Fulong Villa by the Shan County Audit Bureau. The disposal resulted in a gain of RMB4,993,000 which has been recorded as "other (losses)/gains - net" in the consolidated statement of comprehensive income in prior financial year. However, Management does not expect the consideration to be received from the Shanxian Government within the next 12 months period. Accordingly, the receivable has been classified as non-current other receivables in accordance with the relevant SFRS(I) requirements.

During the negotiation process for the above transactions with the Shanxian Government, the Group obtained an additional compensation of RMB33,159,000 relating to the relocation of the former factory of the Group's main subsidiary corporation, Shandong Sunshine Chemical Co., Ltd. ("Shandong Sunshine") to its current location in 2010. Consistent with the above, Management does not expect this compensation to be received from the Shanxian Government within the next 12 months period. Accordingly, the receivable had been classified as non-current other receivables in accordance with the relevant SFRS(I) requirements.

As the repayment dates for the above receivables have not been specified or clearly agreed with the Shanxian Government and there is possibility that repayment may be made in forms other than cash, these receivables have been classified as financial assets, at FVPL in accordance with SFRS(I) 9 *Financial Instruments*. Accordingly, the Group has assessed the fair values of these receivables using the discounted cash flow method. The estimates used in determining the fair values include the expected repayment period and discount rate of 2.69% (2024: 2.59%).

	Group	
	2025 RMB'000	2024 RMB'000
Beginning of the financial year	70,782	-
Other receivables relating to Fulong Villa	-	37,623
Other receivables relating to Shandong Sunshine (Note 7)	-	33,159
Fair value loss recognised in profit or loss	(8,798)	-
End of the financial year	61,984	70,782

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 18 Leases – The Group as a lessee

*Nature of the Group's leasing activities*

The Group leases office space for the purpose of back-office operations.

(a) Lease expense not capitalised in lease liabilities

	Group	
	2025	2024
	RMB'000	RMB'000
Lease expense – short-term leases (Note 5)	<b>404</b>	427

(b) Total cash outflow for all leases was RMB404,000 (2024: RMB427,000).

## 19 Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables - non-related parties	<b>35,613</b>	31,026	-	-
Other payables - non-related parties	<b>116,329</b>	87,313	<b>87</b>	97
Accruals for operating expenses	<b>159,536</b>	157,510	<b>14,049</b>	14,475
Contract liabilities (Note 4b)	<b>22,815</b>	35,224	-	-
	<b>334,293</b>	311,073	<b>14,136</b>	14,572

## 20 Deferred grants

	Group	
	2025	2024
	RMB'000	RMB'000
Beginning of the financial year	<b>5,450</b>	5,280
Amount received from government agencies	<b>1,302</b>	170
End of the financial year	<b>6,752</b>	5,450

In 2025 and 2024, deferred grants related to government subsidies received from government agencies in the People's Republic of China to support the Group's subsidiary corporation research and development activities, promoting scientific and technological innovation, skills training, talent development, and knowledge transfer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21 Share capital and treasury shares

### (a) Share capital

	No. of ordinary shares	← Amount →	
		SGD'000	RMB'000
<b>Group and Company</b>			
<b>2025 and 2024</b>			
Beginning and end of the financial year	<u>983,388,000</u>	<u>62,649</u>	<u>313,471</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares (except for treasury shares) carry one vote per share and carry a right to dividends as and when declared by the company.

### (b) Treasury shares

	No. of ordinary shares	← Amount →	
		SGD'000	RMB'000
<b>Group and Company</b>			
<b>2025</b>			
Beginning and end of the financial year	<u>30,005,200</u>	<u>(13,080)</u>	<u>(67,079)</u>
<b>2024</b>			
Beginning of the financial year	24,139,500	(10,731)	(54,526)
Treasury shares purchased	5,865,700	(2,349)	(12,553)
End of the financial year	<u>30,005,200</u>	<u>(13,080)</u>	<u>(67,079)</u>

Treasury shares held by the Company relates to ordinary shares of the Company.

In 2024, the Company purchased 5,865,700 treasury shares in the open market. The cost of the treasury shares purchased amounted to SGD2,349,000 (equivalent to RMB12,553,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 22 Other reserves

(a) *Composition:*

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Merger reserve	305	305	-	-
Capital reserve	54,627	54,627	54,627	54,627
Statutory common reserve	424,526	417,254	-	-
Voluntary common reserve	424,525	417,253	-	-
Currency translation reserve	4,475	(4,287)	4,788	(3,972)
	<b>908,458</b>	<b>885,152</b>	<b>59,415</b>	<b>50,655</b>

Other reserves are non-distributable.

(b) *Movement:*

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
(i) <i>Merger reserve</i>				
Beginning and end of the financial year	305	305	-	-
(ii) <i>Capital reserve</i>				
Beginning and end of the financial year	54,627	54,627	54,627	54,627

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 22 Other reserves (continued)

### (b) Movements: (continued)

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
(iii) <i>Statutory common reserve</i>				
Beginning of the financial year	417,254	379,260	-	-
Transfer from retained profits	7,272	37,994	-	-
End of the financial year	424,526	417,254	-	-
(iv) <i>Voluntary common reserve</i>				
Beginning of the financial year	417,253	379,259	-	-
Transfer from retained profits	7,272	37,994	-	-
End of the financial year	424,525	417,253	-	-
(v) <i>Currency translation reserve</i>				
Beginning of the financial year	(4,287)	(1,507)	(3,972)	(1,192)
Net currency translation differences of financial statements of the Company	8,762	(2,780)	8,760	(2,780)
End of the financial year	4,475	(4,287)	4,788	(3,972)

### **Currency translation reserve**

The currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from that of the Group's presentation currency.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 22 Other reserves (continued)

### *Statutory and Voluntary common reserves*

According to the Company Law of People's Republic of China ("PRC") and Articles of Association of PRC Subsidiary Corporations, the subsidiary corporations are required to provide the following statutory reserves which are appropriated from the net profit as reported in the PRC statutory financial statements:

#### (i) Statutory common reserve

In accordance with the relevant laws and regulations in the PRC, subsidiary corporations are required to transfer 10% of the net profit as reported in its PRC statutory financial statements to the statutory common reserve annually, except where the fund has reached 50% of the company's registered capital. This fund can be used to make up for any losses incurred or be converted into paid-up capital, provided that the fund does not fall below 25% of the registered capital. This reserve cannot be used for purposes other than those for which is created and is not distributable as cash dividends.

#### (ii) Voluntary common reserve

In accordance with the relevant laws and regulations in the PRC, subsidiary corporations may appropriate a portion of its net profit reported in the statutory financial statements to the voluntary common reserve which serves as staff welfare fund.

The amount to be set aside is determined by the Board of Directors annually in accordance with the relevant regulations. This reserve cannot be used for purposes other than those for which is created and is not distributable as cash dividends.

## 23 Retained profits

- (a) Retained profits of the Group and the Company are distributable except for the amount of RMB67,079,000 (2024: RMB67,079,000) utilised to purchase treasury shares.
- (b) Movement in retained profits for the Company is as follows:

	Company	
	2025 RMB'000	2024 RMB'000
Beginning of the financial year	285,155	228,034
Net profit	130,950	183,527
Dividends paid (Note 24)	(184,810)	(126,406)
End of the financial year	<u>231,295</u>	<u>285,155</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 24 Dividends

	Group	
	2025	2024
	RMB'000	RMB'000
<u>Ordinary dividends</u>		
Final dividends paid in respect of the previous financial year of SGD 0.02 (2024: SGD 0.015) per share	105,610	75,844
<u>Special dividends</u>		
Final dividends paid in respect of the previous financial year of SGD 0.01 (2024: SGD 0.01) per share	52,805	50,562
Interim dividends paid in respect of the current financial year of SGD 0.005 (2024: Nil) per share	26,395	-
Total (Note 23)	184,810	126,406

At the forthcoming Annual General Meeting on 29 April 2026, a final ordinary dividend of SGD0.02 per share and a special dividend of SGD0.007 per share, amounting to a total of SGD25,741,000 (equivalent to approximately RMB140,510,000) will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2026.

## 25 Commitments

### *Capital commitments*

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	1,200	12,986

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management

### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risks.

The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) *Market risk*

(i) Currency risk

The Group operates in People's Republic of China ("PRC"). Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises when transactions are denominated in foreign currencies such as the Hong Kong dollar ("HKD"), United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD") and Japanese Yen ("JPY").

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Currently, the PRC government imposes control over foreign currencies. Chinese Renminbi ("RMB"), the official currency of the PRC is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions.

The Company's operation does not expose itself to significant currency risk as it transacts mainly in SGD with monetary assets and liabilities denominated mainly in SGD.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	RMB RMB'000	HKD RMB'000	USD RMB'000	EUR RMB'000	SGD RMB'000	JPY RMB'000	Total RMB'000
<b>2025</b>							
<b>Financial assets</b>							
Cash and cash equivalents	1,044,594	63,258	1,071,123	10,243	29,088	110,634	2,328,940
Trade and other receivables	711,350	-	189,379	10,119	156	-	911,004
Other receivables, at FVPL	61,984	-	-	-	-	-	61,984
Receivables from inter-company	694,456	-	-	-	181,034	-	875,490
	<u>2,512,384</u>	<u>63,258</u>	<u>1,260,502</u>	<u>20,362</u>	<u>210,278</u>	<u>110,634</u>	<u>4,177,418</u>
<b>Financial liabilities</b>							
Trade and other payables	(297,342)	-	-	-	(14,136)	-	(311,478)
Payables to inter-company	(694,456)	-	-	-	(181,034)	-	(875,490)
	<u>(991,798)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,170)</u>	<u>-</u>	<u>(1,186,968)</u>
<b>Net financial assets</b>	<u>1,520,586</u>	<u>63,258</u>	<u>1,260,502</u>	<u>20,362</u>	<u>15,108</u>	<u>110,634</u>	<u>2,990,450</u>
<b>Less: Net financial liabilities denominated in the respective entities' functional currencies</b>	<u>(1,520,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,108)</u>	<u>-</u>	<u>(1,535,694)</u>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<u>-</u>	<u>63,258</u>	<u>1,260,502</u>	<u>20,362</u>	<u>-</u>	<u>110,634</u>	<u>1,454,756</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows: (continued)

	RMB RMB'000	USD RMB'000	EUR RMB'000	SGD RMB'000	JPY RMB'000	Total RMB'000
<b>2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,493,467	440,241	42,978	28,220	68,954	2,073,860
Trade and other receivables	897,110	213,345	13,394	184	-	1,124,033
Receivables from inter-company	678,053	-	-	222,068	-	900,121
	<u>3,068,630</u>	<u>653,586</u>	<u>56,372</u>	<u>250,472</u>	<u>68,954</u>	<u>4,098,014</u>
<b>Financial liabilities</b>						
Trade and other payables	(261,277)	-	-	(14,572)	-	(275,849)
Payables to inter-company	(678,053)	-	-	(222,068)	-	(900,121)
	<u>(939,330)</u>	<u>-</u>	<u>-</u>	<u>(236,640)</u>	<u>-</u>	<u>(1,175,970)</u>
<b>Net financial assets</b>	<u>2,129,300</u>	<u>653,586</u>	<u>56,372</u>	<u>13,832</u>	<u>68,954</u>	<u>2,922,044</u>
<b>Less: Net financial liabilities denominated in the respective entities' functional currencies</b>	<u>(2,129,300)</u>	<u>-</u>	<u>-</u>	<u>(13,832)</u>	<u>-</u>	<u>(2,143,132)</u>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<u>-</u>	<u>653,586</u>	<u>56,372</u>	<u>-</u>	<u>68,954</u>	<u>778,912</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

If the HKD, USD, EUR and JPY change against the RMB by 2% (2024: 1%), 2% (2024: Nil), 9% (2024: 4%) and 3% (2024: 8%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/assets that are exposed to currency risk will be as follows:

	Increase/(decrease)	
	2025	2024
	Net profit	Net profit
	RMB'000	RMB'000
HKD against RMB		
- Strengthened	949	-
- Weakened	(949)	-
USD against RMB		
- Strengthened	18,908	4,902
- Weakened	(18,908)	(4,902)
EUR against RMB		
- Strengthened	1,374	1,691
- Weakened	(1,374)	(1,691)
JPY against RMB		
- Strengthened	2,489	4,137
- Weakened	(2,489)	(4,137)

#### (ii) Equity price risk

The Group and the Company do not have exposure to equity price risk as it does not hold any equity or debt securities financial instruments.

#### (iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

For the financial years ended 31 December 2025 and 2024, the Group is not exposed to significant cash flow and fair value interest rate risk as the Group's exposure on interest rate risk is primarily from short-term bank deposits placed.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major class of financial assets of the Group is cash and cash equivalents and trade receivables. The Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group's Executive Chairman based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by at the entity level by the respective management and at Group level by the Board of Directors.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

There is no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2025 RMB'000	2024 RMB'000
<u>By geographical areas</u>		
People's Republic of China	423,681	477,257
Overseas market	211,246	235,839
	<b>634,927</b>	<b>713,096</b>

The movements in credit loss allowance are as follows:

	2025 RMB'000	2024 RMB'000
Beginning of the financial year	(5,344)	(7,432)
Movement during the financial year:		
- Allowance made	(1,696)	(2,377)
- Reversal of allowance	2,946	4,465
Net amount recognised in profit or loss	1,250	2,088
End of the financial year (Note 11)	<b>(4,094)</b>	<b>(5,344)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (b) Credit risk (continued)

#### Trade receivables

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments is at least one year overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is not-performing ("non-performing receivable"). In such instances, management measured the expected credit loss of the non-performing receivable at its maximum exposure to the Group at reporting date.

Trade receivables that are other than non-performing are grouped by management based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss allowance. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The loss allowance rates are reviewed on a regular basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor significantly delay in payments, or a debtor will probably enter bankruptcy. The Group considers a financial asset as default if the counterparty fails to make contractual payments within 6 months after the invoices are issued, and writes off or impairs the financial asset. Where receivables are written off or impaired, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (b) Credit risk (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 *Financial Instruments* are set out in the provision matrix as follows:

	Aging				Total RMB'000
	1 - 3 months RMB'000	3 - 6 months RMB'000	6 months - 1 year RMB'000	More than 1 year RMB'000	
<b>2025</b>					
<i>Domestic customers</i>					
Trade receivables	350,778	59,373	16,336	-	426,487
Loss allowance	-	-	(2,806)	-	(2,806)
<i>Oversea customers</i>					
Trade receivables	201,407	9,839	1,288	-	212,534
Loss allowance	-	-	(1,288)	-	(1,288)
<b>2024</b>					
<i>Domestic customers</i>					
Trade receivables	369,742	77,210	33,427	2,177	482,556
Loss allowance	-	-	(3,122)	(2,177)	(5,299)
<i>Oversea customers</i>					
Trade receivables	226,587	9,252	45	-	235,884
Loss allowance	-	-	(45)	-	(45)

### Cash and cash equivalents

The Group and the Company held cash and cash equivalents with banks of high credit ratings and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

### Other financial assets at amortised cost

Other financial assets at amortised cost include non-trade receivables from non-related parties and subsidiary corporations and deposits. The Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to press information and applying experienced credit judgement). Other receivables are measured on 12-month expected credit losses and subject to immaterial credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 10 to the financial statements.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group monitors working capital projections regularly, taking into account the available banking facilities to ensure that the Group has adequate working capital to meet current requirement.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Group		Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Less than one year</b>				
Trade and other payables	<b>311,478</b>	275,849	<b>14,136</b>	14,572

### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group has adopted a dividend policy to distribute not less than 40% of the Group's net profit (excluding non-recurring and exceptional items) for the financial year ended 31 December 2025 and the financial year ending 2026, with the objective of delivering sustainable long-term shareholder returns. As disclosed in Note 24 to the financial statements, the Company has declared interim dividends amounting to RMB26,395,000 for the financial year ended 31 December 2025 and will be proposing a final ordinary dividend of SGD0.02 per share and a special dividend of SGD0.007 per share, amounting to a total of SGD25,741,000 (equivalent to approximately RMB140,510,000) at the forthcoming Annual General Meeting on 29 April 2026. These dividends represent approximately 41% of the Group's net profit (excluding non-recurring and exceptional items) for the financial year ended 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26 Financial risk management (continued)

### (d) Capital risk (continued)

The declaration and payment of dividends are subject to the Group's retained earnings, financial position, capital expenditure requirements, and future expansion and investment plans, as well as other relevant considerations. The Board of Directors retains flexibility to review and adjust the dividend policy where necessary to ensure alignment with the Group's capital management objectives and to maintain a prudent capital structure.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

### (e) Fair value measurements

The fair values of current financial assets and financial liabilities carried at amortised cost approximate their carrying amounts.

### (f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost	<b>3,239,944</b>	3,127,111	<b>205,947</b>	251,181
Financial assets, at FVPL	<b>61,984</b>	70,782	-	-
Financial liabilities at amortised cost	<b>311,478</b>	275,849	<b>14,136</b>	14,572

## 27 Related party transactions

Key management personnel compensation (representing compensation to executive directors, non-executive directors and executive officers of the Group) is as follows:

	Group	
	2025 RMB'000	2024 RMB'000
Non-executive directors' fee	<b>1,588</b>	801
Executive directors' and officers':		
Wages and salaries	<b>16,944</b>	18,320
Employer's contribution to defined contribution plans including Central Provident Fund	<b>244</b>	223
	<b>18,776</b>	19,344

Included in the above is total compensation to directors of the Company amounting to RMB15,773,000 (2024: RMB16,947,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28 Segment information

The Board of Directors (“BOD”) is the Group’s chief operating decision-maker. Management has determined the operating segments based on the reports reviewed by the BOD that are used to make strategic decisions, allocate resources, and assess performance. The BOD assesses the Group’s performance mainly from business segment perspective.

The Group has three (2024: three) primary reportable business segments, namely (1) the manufacturing and sale of rubber chemicals, (2) the production and supply of heating power, and (3) waste treatment.

Other segments included investment holding in Singapore and hotel and restaurant operations in People’s Republic of China. These are not included within the reportable operating segments as the segments do not meet the quantitative thresholds required by SFRS(I) 8 *Operating Segments* for reportable segments. The results of these operations are included in the “Others” column.

Sales between segments are carried out at agreed terms. The revenue from external parties reported to the BOD is measured in a manner consistent with that in the statement of comprehensive income.

The BOD assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”). This measurement basis excludes the effects of expenditure from the operating segments such as impairment loss that are not expected to recur regularly in every period which are separately analysed. Interest income is not allocated to segments, as this type of activity is driven by the Board of Directors, which manages the cash position of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28 Segment information (continued)

Sales between segments are carried out at market terms. The revenue from external parties reported to the BOD is measured in a manner consistent with that in the statement of comprehensive income.

	Rubber chemicals RMB'000	Heating Power RMB'000	Waste treatment RMB'000	Others RMB'000	Total RMB'000
<b>2025</b>					
<b>Sales</b>					
Total segment sales	4,114,226	185,563	30,222	657	4,330,668
Inter-segment sales	(881,693)	(169,398)	(1,528)	(657)	(1,053,276)
Sales to external parties	3,232,533	16,165	28,694	-	3,277,392
<b>Expenses</b>					
Purchases of inventories (Note 5)	1,787,628	102,749	13,203	-	1,903,580
Utilities (Note 5)	285,116	-	818	-	285,934
Employee compensation (Note 6)	258,166	7,503	4,980	11,424	282,073
<b>Adjusted EBITDA</b>	540,607	66,820	10,616	(35,945)	582,098
Depreciation (Note 5)	(122,612)	(13,561)	(5,087)	(147)	(141,407)
Amortisation (Note 5)	(3,805)	(142)	(612)	-	(4,559)
<b>Segment assets</b>	4,615,294	162,975	73,616	30,342	4,882,228
Segment assets include:					
Additions to property, plant and equipment	248,155	2,914	160	-	251,229
Additions to intangible assets	60	-	-	-	60
<b>Segment liabilities</b>	349,411	15,915	36,946	42,393	444,665

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28 Segment information (continued)

The segment information provided to the BOD for the reportable business segments are as follows: (continued)

	<b>Rubber chemicals RMB'000</b>	<b>Heating Power RMB'000</b>	<b>Waste treatment RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
<b>2024</b>					
<b>Sales</b>					
Total segment sales	4,381,923	196,135	23,390	641	4,602,089
Inter-segment sales	(907,988)	(177,751)	(181)	(641)	(1,086,561)
Sales to external parties	3,473,935	18,384	23,209	-	3,515,528
<b>Expenses</b>					
Purchases of inventories (Note 5)	1,954,728	131,003	11,081	(12)	2,096,800
Utilities (Note 5)	300,766	-	809	18	301,593
Employee compensation (Note 6)	259,575	16,894	5,449	14,402	296,320
<b>Adjusted EBITDA</b>	637,523	44,218	(5,835)	(13,526)	662,380
Depreciation (Note 5)	(103,516)	(19,263)	(5,082)	(853)	(128,714)
Amortisation (Note 5)	(3,134)	(142)	(612)	(349)	(4,237)
<b>Segment assets</b>	4,353,037	164,874	93,068	68,046	4,679,025
Segment assets include:					
Additions to property, plant and equipment	105,179	4,580	283	-	110,042
Additions to intangible assets	3,746	-	-	-	3,746
<b>Segment liabilities</b>	374,725	35,065	41,367	19,189	470,346

### (a) Reconciliations

#### Segment profits

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
Adjusted EBITDA for reportable segments	<b>582,098</b>	662,380
Depreciation	<b>(141,407)</b>	(128,713)
Amortisation	<b>(4,559)</b>	(4,238)
Interest income	<b>67,438</b>	55,631
Profit before income tax	<b>503,570</b>	585,060

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28 Segment information (continued)

### (b) Geographical Segment

The Group's business operates only in the People's Republic of China. For geographical segment information, the revenue is allocated based on where the customers are located.

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
People's Republic of China	1,853,807	2,011,679	1,197,448	1,104,799
Rest of Asia	1,085,893	1,152,957	49	198
America	65,327	84,242	-	-
Europe	197,466	199,705	-	-
Other countries	74,899	66,945	-	-
	<b>3,277,392</b>	<b>3,515,528</b>	<b>1,197,497</b>	<b>1,104,997</b>

There are no customers individually contributing more than 10% to the revenue of the Group for the financial years ended 31 December 2025 and 2024.

### (c) Revenues from major services

Revenue from external customers are derived mainly from the sale of rubber chemicals, provision of heating power and waste treatment as disclosed in Note 4(a) to the financial statements.

## 29 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 Jan 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 Jan 2026
Annual Improvements to SFRS(I)s – Volume 11	1 Jan 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 Jan 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of China Sunsine Chemical Holdings Ltd. on 27 March 2026.

# STATISTICS OF SHAREHOLDINGS

As at 17 March 2026

## SHARE CAPITAL

Number of Issued Shares	:	983,388,000
Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings <sup>(1)</sup> )	:	953,382,800
Number and Percentage of Treasury Shares	:	30,005,200 (3.15%)( <sup>(2)</sup> )
Number and Percentage of Subsidiary Holdings	:	0
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	One vote per share

### Notes:

<sup>(1)</sup> "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

<sup>(2)</sup> Percentage calculated against the number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1 - 99	73	0.00	2	0.12
100 - 1,000	56,900	0.01	108	6.30
1,001 - 10,000	4,298,900	0.45	675	39.40
10,001 - 1,000,000	61,697,800	6.47	888	51.84
1,000,001 and above	887,329,127	93.07	40	2.34
<b>Total</b>	<b>953,382,800</b>	<b>100.00</b>	<b>1,713</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	SUCCESS MORE GROUP LIMITED	545,285,100	57.19
2	CITIBANK NOMINEES SINGAPORE PTE LTD	71,314,625	7.48
3	UOB KAY HIAN PTE LTD	46,300,024	4.86
4	DBS NOMINEES PTE LTD	36,734,400	3.85
5	RAFFLES NOMINEES (PTE) LIMITED	27,556,207	2.89
6	HSBC (SINGAPORE) NOMINEES PTE LTD	26,282,713	2.76
7	CHIA KEE KOON	18,789,100	1.97
8	MAYBANK SECURITIES PTE LTD	14,588,100	1.53
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	8,985,100	0.94
10	LEOW EK HUA	7,458,000	0.78
11	PHILLIP SECURITIES PTE LTD	6,455,463	0.68
12	YEO KHEE CHYE	6,300,000	0.66
13	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,425,600	0.57
14	OCBC SECURITIES PRIVATE LTD	5,287,700	0.55
15	ABN AMRO CLEARING BANK N.V.	4,858,890	0.51
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,730,000	0.50
17	OCBC NOMINEES SINGAPORE PTE LTD	4,186,800	0.44
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,260,000	0.34
19	EU OY CHU	3,240,000	0.34
20	IFAST FINANCIAL PTE LTD	3,233,900	0.34
		<b>850,271,722</b>	<b>89.18</b>

# STATISTICS OF SHAREHOLDINGS

As at 17 March 2026

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at **17 March 2026**, approximately 42% of the issued ordinary shares of the Company excluding treasury shares are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Success More Group Limited <sup>(1)</sup>	545,285,100	57.19	-	-
Xu Cheng Qiu <sup>(1)(2)</sup>	-	-	551,023,100	57.80

### Notes:

<sup>(1)</sup> By virtue of Section 7 of the Companies Act 1967, Mr Xu Cheng Qiu is deemed to be interested in the 545,285,100 Shares held by Success More Group Limited.

<sup>(2)</sup> Mr Xu Cheng Qiu is deemed to be interested in the 5,738,000 Shares held by the nominees, UOB Kay Hian Pte Ltd.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Sunsine Chemical Holdings Ltd. (the "**Company**") will be convened and held at SKAI Suite 3 & 4 @ Level 69, Swissotel The Stamford, 2 Stamford Road Singapore 178882 on Wednesday, 29 April 2026 at 10.00 a.m. ("**AGM**") for the purpose of transacting the following businesses:-

## **As Ordinary Business:-**

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2025, together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a final one-tier tax exempt dividend of 2.0 Singapore cents per ordinary share, and a final one-tier tax exempt special dividend of 0.7 Singapore cent per ordinary share for the financial year ended 31 December 2025. **(Resolution 2)**
3. To re-elect Mr Xu Jun, who is retiring as a Director by rotation under Regulation 104(2) of the Company's Constitution, and who, being eligible, offers himself for re-election. **(Resolution 3)**  
**[See Explanatory Note 1]**
4. To re-elect Mr Tong Yiping, who is retiring as a Director by rotation under Regulation 104(2) of the Company's Constitution, and who, being eligible, offers himself for re-election. **(Resolution 4)**  
**[See Explanatory Note 2]**
5. To re-elect Mr Yan Tangfeng, who is retiring as a Director under Regulation 104(2) of the Company's Constitution, and who, being eligible, offers himself for re-election. **(Resolution 5)**  
**[See Explanatory Note 3]**
6. To approve the amount of S\$290,000 proposed as Directors' fees for the financial year ended 31 December 2025 (2024: S\$240,000). **(Resolution 6)**
7. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Company's Auditor and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business that may be properly transacted at an annual general meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## As Special Business:-

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

### 9. SHARE ISSUE MANDATE

(Resolution 8)

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "Act") and the listing rules of the SGX-ST, authority be and is hereby given to the Directors to:

- (a) (i) issue shares of the Company whether by way of rights issue, bonus issue or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being in force; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

**[See Explanatory Note 4]**

## 10. RENEWAL OF SHARE PURCHASE MANDATE

**(Resolution 9)**

That:

- (a) for the purposes of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchase(s), (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations, including but not limited to rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing on and from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
  - (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

# NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company; and

**“date of the making of the offer”** means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Maximum Limit”** means the number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at that date); and

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the maximum price (excluding brokerage, commission, applicable goods and service tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
  - (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they and/or he may consider expedient, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

**[See Explanatory Note 5]**

BY ORDER OF THE BOARD

JACQUELINE ANNE LOW  
Company Secretary

Singapore, 14 April 2026

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- Resolution 3** – Mr Xu Jun will, upon re-election, remain as an Executive Director of the Company. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Mr Xu Jun as required under Rule 720(6) of the Listing Manual of the SGX-ST.
- Resolution 4** – Mr Tong Yiping will, upon re-election, remain as an Executive Director cum Chief Financial Officer of the Company. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Mr Tong Yiping as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- Resolution 5** – Mr Yan Tangfeng will, upon re-election, remain as an Independent Director of the Company and Chairman of the Remuneration Committee and a member of the Audit Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Yan Tangfeng as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- Resolution 8** – Resolution 8, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, with a sub-limit of 20% for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and (b) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, shareholders’ approval will be required for any consolidation or subdivision of shares.
- Resolution 9** – Resolution 9, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in this Resolution.

The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the unaudited financial statements of the Group and the Company for the financial year ended 31 December 2025, based on certain assumptions, are set out in paragraph 2.8 of the Letter to Shareholders dated 14 April 2026.

Please refer to the Letter to Shareholders dated 14 April 2026 for more details.

## NOTES:

- The members of the Company are invited to **attend physically** at the AGM. There will be no option for Shareholders to participate virtually.
- Members may ask questions relating to the business of the AGM at the Meeting, or submit questions via email to [jennieliu@chinasunsine.com](mailto:jennieliu@chinasunsine.com) in advance of the AGM by 21 April 2026 (5.00 p.m.).

When submitting the questions, please provide the Company with the following details, for verification purposes:-

- Full Name;
- NRIC/Passport Number;
- Current Address;
- Contact Number; and
- Number of Shares Held

Please also indicate the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

# NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavour to address the substantial and relevant questions prior to and/or at the AGM. The responses to questions from members will be posted on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://www.chinasunsine.com> by 24 April 2026 (if questions are submitted in advance by 21 April 2026 and answered prior to the AGM), or if questions are answered during the AGM, will be included in the minutes of the AGM and published on SGX website and the Company's corporate website within one month from the date of the AGM.

Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions will be individually addressed.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2026.

4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company at 16 Raffles Quay, #15-08 Hong Leong Building, Singapore 048581; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com),

in either case, not less than 48 hours before the time appointed for the AGM.

Printed copies of this Notice and proxy form will be sent to members. This Notice and proxy form will also be made available on the Company's corporate website at the URL <https://www.chinasunsine.com> and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

6. The 2025 Annual Report, the Letter to Shareholders dated 14 April 2026 (in relation to the proposed renewal of the share purchase mandate) and the Sustainability Report may be accessed at the Company's corporate website at the URL <https://www.chinasunsine.com>. The above-stated documents are also available for viewing and download on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the 2025 Annual Report, the Letter to Shareholders and the Sustainability Report will not be sent to members. Members who wish to receive a hard copy of the above documents will need to complete and submit a Request Form to the Company by 21 April 2026. A printed copy of the Request Form will be sent to shareholders, and will also be made available on the Company's website at the URL <https://www.chinasunsine.com>, and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

# NOTICE OF ANNUAL GENERAL MEETING

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents and service providers) for the purpose of the processing, administration and analysis by the Company (or its agents and service providers) of the appointment of the proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents and service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents and service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



**Additional Information on Directors seeking Re-election pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”)**

Mr Xu Jun, Mr Tong Yiping and Mr Yan Tangfeng are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 April 2026 (“AGM”) under Ordinary Resolutions 3 to 5 as set out in the Notice of AGM dated 14 April 2026.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the additional information relating to the above-mentioned Directors as required under Appendix 7.4.1 is set out below, to be read in conjunction with the information set out under “Board of Directors” and the “Corporate Governance Report” on pages 14 to 18 and pages 28 to 51, respectively of this Annual Report:

DETAILS	Xu Jun	Tong Yiping	Yan Tangfeng
<b>Country of principal residence</b>	People’s Republic of China	People’s Republic of China	Singapore
<b>The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)</b>	The Board considered the recommendation of the Nominating Committee, and is satisfied that Mr Xu is able to provide valuable contributions to the Board	The Board considered the recommendation of the Nominating Committee, and is satisfied that Mr Tong is able to provide valuable contributions to the Board	The Board considered the recommendation of the Nominating Committee, and is satisfied that Mr Yan is able to exercise independent judgement and provide valuable contributions to the Board given his decades of experience in corporate finance and investment management.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive  Mr Xu is responsible for assisting the Executive Chairman in strategic planning, direction and overall management of the Group’s main subsidiary	Executive  Mr Tong is responsible for overseeing the financial operations of the Group	Non-Executive
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Executive Director	Executive Director  Chief Financial Officer	Independent Director  Chairman of the Remuneration Committee and a member of the Audit Committee
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	Son of Mr Xu Cheng Qiu, Executive Chairman and Substantial Shareholder;  Brother of Mr Xu Chi, Group Deputy General Manager and Vice-Chairman of Shandong Sunsine Chemical Co., Ltd;	None	None
<b>Conflict of interests (including any competing business)</b>	No	No	No

DETAILS	Xu Jun	Tong Yiping	Yan Tangfeng
<b>Working experience and occupation(s) during the past 10 years</b>	2007 - Present Executive Director China Sunsine Chemical Holdings Ltd.	- Chief Financial Officer and Joint Company Secretary, China Sunsine Chemical Holdings Ltd.  - Financial Controller and Joint Company Secretary of China Sunsine Chemical Holdings Ltd.  - Finance Manager of China Yuchai International Ltd	2008 - Present President Sinolion Holdings Pte. Ltd.
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	No	Deemed interest of 120,000 ordinary shares in the listed issuer	Direct interest of 70,000 ordinary shares and deemed interest of 1,782,000 ordinary shares in the listed issuer
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 702(1) has been submitted to the listed issuer</b>	Yes	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>	None	None	- Sinolion Holdings Pte. Ltd.  - Runhong Investment Holdings Pte. Ltd.
<b>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</b>	No	No	No



DETAILS	Xu Jun	Tong Yiping	Yan Tangfeng
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

DETAILS	Xu Jun	Tong Yiping	Yan Tangfeng
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No



DETAILS	Xu Jun	Tong Yiping	Yan Tangfeng
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

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# CHINA SUNSINE CHEMICAL HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

## Proxy Form Annual General Meeting

### IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting and vote (please see Note 3).
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2026.

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC No. /Passport No. /Company Registration No.)

of \_\_\_\_\_ (Address)

being a member/members of CHINA SUNSINE CHEMICAL HOLDINGS LTD. (the "Company"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM" or "Meeting") as my/our proxy to vote for me/us on my/our behalf, at the AGM of the Company, to be held at SKAI Suite 3 & 4 @ Level 69, Swissotel The Stamford, 2 Stamford Road Singapore 178882 on Wednesday, 29 April 2026 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote "For" or "Against", or "Abstain" from voting on, the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions relating to:	*For	*Against	*Abstain
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025, together with the Independent Auditor's Report thereon			
2	Declaration of a final one-tier tax exempt dividend of 2.0 Singapore cents per ordinary share, and a final one-tier tax exempt special dividend of 0.7 Singapore cent per ordinary share for the financial year ended 31 December 2025			
3	Re-election of Mr Xu Jun as a Director			
4	Re-election of Mr Tong Yiping as a Director			
5	Re-election of Mr Yan Tangfeng as a Director			
6	Approval for the payment of Directors' fees of S\$290,000 for the financial year ended 31 December 2025			
7	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as the Company's Auditor, and to authorise the Directors to fix their remuneration			
8	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 and the listing rules of the SGX-ST			
9	Renewal of Share Purchase Mandate			

\* Voting will be conducted by poll. In respect of any resolution, if you wish to exercise all your votes "For", "Against" or "Abstain", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate within the relevant box.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

TOTAL NUMBER OF SHARES HELD IN:	
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) or Common Seal of member(s)



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

Pursuant to Section 181(6) of the Companies Act 1967, a Relevant Intermediary is:

- (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (ii) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
  4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
  5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
    - (a) if submitted by post, be lodged with the Company at 16 Raffles Quay, #15-08 Hong Leong Building, Singapore 048581; or
    - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com),

in either case, not less than 48 hours before the time appointed for the AGM.

Printed copies of this proxy form will be sent to members together with the Notice of AGM. This proxy form may also be accessed at the Company's corporate website at the URL <https://www.chinasunsine.com>, and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or the hand of its attorney or duly authorised officer. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 14 April 2026.



**CHINA SUNSINE CHEMICAL HOLDINGS LTD.**

(Incorporated in the Republic of Singapore on 28 June 2006)  
(Company Registration Number: 200609470N)

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- Bridgestone
- Michelin
- Goodyear Tire
- Cooper
- Sumitomo
- Hankook
- Yokohama
- CST Tire
- Toyo Tire
- Tire Pirelli
- GITI Tire
- Hangzhou Zhongce
- Double Coin
- Guizhou Tire
- Sailun Tires
- Linglong Tire