



China Sunsine Chemical Holdings Ltd.
Interim Financial Statements
For the six months ended 30 June 2025

Table of contents

	Page
A. Condensed Consolidated Interim Statement of Comprehensive Income	1
B. Condensed Interim Statements of Financial Position	2
C. Condensed Consolidated Interim Statement of Changes in Equity	3
D. Condensed Consolidated Interim Statement of Cash Flows	5
E. Selected Notes to the Condensed Interim Financial Statements	6
F. Other Information	
- Audit	15
- Review of the Group Performance	15
- Variance from Prospect Statement	16
- Prospects	17
- Dividend Information	18
- Interested Person Transactions	18
- Confirmation of Undertakings from Directors and Executive Officers	18
- Announcement of Acquisition and Realisation pursuant to Rule 706A	18
- Negative Assurance Confirmation on Interim Financial Results Pursuant to Rule 705(5) of the Listing Manual	18

A. Condensed Consolidated Interim Statement of Comprehensive Income

		Group 6 months ended		
	Note	30/06/2025	30/06/2024	Change
		RMB' million		%
Revenue	4	1,690.2	1,749.1	(3%)
Cost of sales		(1,274.4)	(1,315.5)	(3%)
Gross profit		415.8	433.6	(4%)
Other income		52.1	33.5	56%
Other gains, net		4.4	18.7	(76%)
Expenses:				
- Selling and distribution		(60.5)	(52.6)	15%
- Administrative		(100.7)	(95.2)	6%
- Research and development		(4.6)	(69.9)	(93%)
Profit before income tax	5	306.5	268.1	14%
Income tax expense	6	(63.8)	(79.3)	(20%)
Net profit		242.7	188.8	29%
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation, net of tax		9.6	(3.3)	(391%)
Total comprehensive income for the financial period		252.3	185.5	36%
Net profit attributable to:				
Equity holders of the Company		242.7	188.8	29%
Total comprehensive income attributable to:				
Equity holders of the Company		252.3	185.5	36%
Earnings per share for net profit attributable to equity holders of the Company (RMB cents per share)				
Basic and diluted earnings per share	7	25.45	19.71	29%

B. Condensed Interim Statements of Financial Position

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		30/6/2025	31/12/2024	30/6/2025	31/12/2024
		RMB' million	RMB' million	RMB' million	RMB' million
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiary corporations	10	-	-	350.0	350.0
Property, plant and equipment	11	920.2	835.0	0.1	0.2
Intangible assets	12	197.0	199.2	-	-
Other receivables	13	70.8	70.8	-	-
		<u>1,188.0</u>	<u>1,105.0</u>	<u>350.1</u>	<u>350.2</u>
CURRENT ASSETS					
Inventories	14	344.0	363.6	-	-
Trade and other receivables	15	1,015.9	1,136.5	13.4	222.3
Cash and bank balances		2,234.3	2,073.9	57.7	28.9
		<u>3,594.2</u>	<u>3,574.0</u>	<u>71.1</u>	<u>251.2</u>
TOTAL ASSETS		<u>4,782.2</u>	<u>4,679.0</u>	<u>421.2</u>	<u>601.4</u>
EQUITY					
Share capital	16	313.5	313.5	313.5	313.5
Treasury shares	16	(67.1)	(67.1)	(67.1)	(67.1)
Other reserves		894.8	885.2	60.3	50.7
Retained earnings		3,161.4	3,077.1	95.8	285.1
TOTAL EQUITY		<u>4,302.6</u>	<u>4,208.7</u>	<u>402.5</u>	<u>582.2</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	17	346.9	316.5	13.8	14.6
Current income tax liabilities		132.7	153.8	4.9	4.6
		<u>479.6</u>	<u>470.3</u>	<u>18.7</u>	<u>19.2</u>
TOTAL LIABILITIES		<u>479.6</u>	<u>470.3</u>	<u>18.7</u>	<u>19.2</u>
TOTAL EQUITY AND LIABILITIES		<u>4,782.2</u>	<u>4,679.0</u>	<u>421.2</u>	<u>601.4</u>

C. Condensed Consolidated Interim Statement of Changes in Equity

GROUP	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total Equity
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Balance as at 1 January 2025	313.5	(67.1)	885.2	3,077.1	4,208.7
<i><u>Total Comprehensive Income</u></i>					
Net profit for the financial period	-	-	-	242.7	242.7
Currency translation differences arising from consolidation, net of tax	-	-	9.6	-	9.6
Total comprehensive income, net of tax, for the financial period	-	-	9.6	242.7	252.3
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Dividend paid	-	-	-	(158.4)	(158.4)
Total distributions to owners	-	-	-	(158.4)	(158.4)
Balance as at 30 June 2025	313.5	(67.1)	894.8	3,161.4	4,302.6
Balance as at 1 January 2024	313.5	(54.5)	811.9	2,855.7	3,926.6
<i><u>Total Comprehensive Income</u></i>					
Net profit for the financial period	-	-	-	188.8	188.8
Currency translation differences arising from consolidation, net of tax	-	-	(3.3)	-	(3.3)
Total comprehensive income, net of tax, for the financial period	-	-	(3.3)	188.8	185.5
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Purchase of treasury shares	-	(7.2)	-	-	(7.2)
Dividend paid	-	-	-	(126.4)	(126.4)
Total distributions to owners	-	(7.2)	-	(126.4)	(133.6)
Balance as at 30 June 2024	313.5	(61.7)	808.6	2,918.1	3,978.5

C. Condensed Consolidated Interim Statement of Changes in Equity (Cont'd)

<u>COMPANY</u>	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total Equity
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Balance as at 1 January 2025	313.5	(67.1)	50.7	285.1	582.2
<u>Total Comprehensive Income</u>					
Net loss for the financial period	-	-	-	(30.9)	(30.9)
Exchange differences on translation, net of tax	-	-	9.6	-	9.6
Total comprehensive income, net of tax, for the financial period	-	-	9.6	(30.9)	(21.3)
<u>Transactions with owners, recorded directly in equity</u>					
Dividend paid	-	-	-	(158.4)	(158.4)
Total distributions to owners	-	-	-	(158.4)	(158.4)
Balance as at 30 June 2025	313.5	(67.1)	60.3	95.8	402.5
Balance as at 1 January 2024	313.5	(54.5)	53.4	228.0	540.4
<u>Total Comprehensive Income</u>					
Net loss for the financial period	-	-	-	(15.6)	(15.6)
Exchange differences on translation, net of tax	-	-	(3.3)	-	(3.3)
Total comprehensive income, net of tax, for the financial period	-	-	(3.3)	(15.6)	(18.9)
<u>Transactions with owners, recorded directly in equity</u>					
Purchase of treasury shares	-	(7.2)	-	-	(7.2)
Dividend paid	-	-	-	(126.4)	(126.4)
Total distributions to owners	-	(7.2)	-	(126.4)	(133.6)
Balance as at 30 June 2024	313.5	(61.7)	50.1	86.0	387.9

D. Condensed Consolidated Interim Statement of Cash Flows

	Note	Group 6 months ended	
		30/06/2025	30/06/2024
		RMB' million	
Cash flows from operating activities			
Net profit		242.7	188.8
Adjustments for:			
Income tax expense	6	63.8	79.3
Depreciation of property, plant and equipment ("PPE")	5.1	64.5	68.8
Amortisation of intangible assets	5.1	2.2	1.9
Write-off of PPE	5.1	0.8	1.6
Interest income	5.1	(33.0)	(35.2)
Translation difference		5.1	(6.0)
Operating profit before working capital changes		346.1	299.2
Changes in working capital:			
Inventories		19.6	(0.3)
Trade and other receivables		120.6	51.4
Trade and other payables		30.4	(66.8)
Cash generated from operations		516.7	283.5
Income taxes paid		(85.2)	(56.0)
Net cash provided by operating activities		431.5	227.5
Cash flows from investing activities			
Additions to PPE	11	(151.0)	(65.1)
Additions to intangible assets		-	(3.7)
Proceeds from disposal of PPE		0.5	-
Interest received		33.0	35.2
Net cash used in investing activities		(117.5)	(33.6)
Cash flows from financing activities			
Dividend paid		(158.4)	(126.4)
Cash deposit released from bank		-	1.6
Purchase of treasury shares		-	(7.2)
Net cash used in financing activities		(158.4)	(132.0)
Net increase in cash and cash equivalents		155.6	61.9
Effect of currency translation on cash and cash equivalents		4.8	2.5
Cash and cash equivalents at beginning of the financial period		2,073.9	1,686.3
Cash and cash equivalents at end of the financial period		2,234.3	1,750.7

E. Selected Notes to the Condensed Interim 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 that of an investment holding company. The principal activities of its subsidiary corporations are set out in Note 10 to the condensed interim financial statements.

2. Basis of preparation

2.1 Statement of Compliance

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last annual financial statements for the financial year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, as the adoption of new and amended standards does not result in the material effect on the current financial period.

2.2 Basis of measurement

The interim financial statements have been prepared on the historical cost basis, and they have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

The interim financial statements are presented in Chinese Renminbi (“**RMB**”) and have been rounded to the nearest million, unless otherwise stated.

2.3 New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation in the interim financial statements for the current financial period compared with those used in the audited financial statements for the financial year ended 31 December 2024. A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.4 Use of judgements and estimates

The preparation of the interim 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.

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 four years of historical losses 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. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

- (a) 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.

	<u>Group</u>	
	6 months ended	
	30/06/2025	30/06/2024
	RMB'million	RMB'million
Sale of rubber chemicals		
- People's Republic of China	911.0	970.4
- Rest of Asia	584.8	584.2
- America	37.3	44.0
- Europe	95.5	93.1
- Others	38.2	37.2
	<u>1,666.8</u>	<u>1,728.9</u>
Provision of heating power		
- People's Republic of China	<u>8.0</u>	<u>9.1</u>
Waste treatment		
- People's Republic of China	<u>15.4</u>	<u>11.1</u>
Total	<u><u>1,690.2</u></u>	<u><u>1,749.1</u></u>

(b) Segment information

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

The Group has three 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 include investment holding in Singapore and hotel and restaurant (the "hospitality business") 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 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 incomes are not allocated to segments, as this type of activity is driven by the BOD, which manages the cash position of the Group.

The segment information for the reportable business segments is as follows:

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

4. Revenue (Cont'd)

(b) Segment information (Cont'd)

	Rubber Chemicals RMB'million	Heating Power RMB'million	Waste Treatment RMB'million	Others RMB'million	Total RMB'million
6 months ended					
30 June 2025					
Sales					
Total segment sales	2,114.6	97.9	15.6	0.3	2,228.4
Inter-segment sales	(447.8)	(89.9)	(0.2)	(0.3)	(538.2)
Sales to external parties	1,666.8	8.0	15.4	-	1,690.2
Adjusted EBITDA	325.7	29.2	6.0	(20.8)	340.1
Depreciation	(55.0)	(6.9)	(2.5)	(0.1)	(64.5)
Amortisation	(1.8)	(0.1)	(0.3)	-	(2.2)
Segment assets	4,441.4	157.4	86.5	96.9	4,782.2
Segment assets include:					
Additions to property, plant and equipment	148.9	2.0	0.1	-	151.0
Segment liabilities	383.7	45.1	32.1	18.7	479.6
6 months ended					
30 June 2024					
Sales					
Total segment sales	2,178.4	99.1	11.1	0.3	2,288.9
Inter-segment sales	(449.5)	(90.0)	-	(0.3)	(539.8)
Sales to external parties	1,728.9	9.1	11.1	-	1,749.1
Adjusted EBITDA	291.6	17.5	1.5	(7.0)	303.6
Depreciation	(55.9)	(9.9)	(2.5)	(0.5)	(68.8)
Amortisation	(1.3)	(0.1)	(0.3)	(0.2)	(1.9)
Segment assets	4,094.5	163.9	86.3	49.5	4,394.2
Segment assets include:					
Additions to property, plant and equipment	64.5	0.4	0.2	-	65.1
Additions to intangible assets	3.7	-	-	-	3.7
Segment liabilities	294.3	29.9	53.4	38.1	415.7

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

5. Profit before income tax

5.1. Profit before income tax is arrived at after charging/(crediting) the following:

	<u>Group</u>	
	6 months ended	
	30/06/2025	30/06/2024
	RMB'million	RMB'million
Interest income	(33.0)	(35.2)
Depreciation of PPE	64.5	68.8
Amortisation of intangible assets	2.2	1.9
Reversal of loss allowances on trade receivables	(2.0)	(2.9)
Foreign exchange gain, net	(3.2)	(17.3)
Write-off of PPE	0.8	1.6

5.2. Related party transaction

Key management personnel compensation (representing compensation to executive directors and executive officers of the Group) are as follows:

	<u>Group</u>	
	6 months ended	
	30/06/2025	30/06/2024
	RMB'million	RMB'million
Wages and salaries	12.5	8.2
Employer's contribution to defined contribution plans including Central Provident Fund	0.1	0.1
	<u>12.6</u>	<u>8.3</u>

Included in the above is total compensation to directors of the Company amounting to RMB11.0 million (1H2024: RMB7.0 million).

6. Income tax expense

	<u>Group</u>	
	6 months ended	
	30/06/2025	30/06/2024
	RMB'million	RMB'million
Tax expense attributable to profit is made up of:		
Current income tax - overseas:		
- For the financial period	90.5	79.3
- Over provision in prior financial years	(26.7)	-
	<u>63.8</u>	<u>79.3</u>

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

7. Earnings per share

	<u>Group</u>	
	6 months ended	
	30/06/2025	30/06/2024
Net profit attributable to equity holders of the Company (RMB'mil)	<u>242.7</u>	<u>188.8</u>
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	<u>953,383</u>	<u>957,848</u>
Basic and diluted earnings per share (RMB cents)	<u>25.45</u>	<u>19.71</u>

There are no dilutive potential ordinary shares during the financial period.

8. Net assets per share

	<u>Group</u>		<u>Company</u>	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Net asset attributable to shareholders (RMB' million)	4,302.6	4,208.7	402.5	582.2
Number of issued shares excluding treasury shares ('000)	<u>953,383</u>	<u>953,383</u>	<u>953,383</u>	<u>953,383</u>
Net asset value per ordinary share (RMB cents)	<u>451.30*</u>	<u>441.45</u>	<u>42.22</u>	<u>61.07</u>

* Equivalent to SGD 80.33 cents at exchange rate of 5.6179 as at 30 June 2025

9. Dividends

Please refer to Section F, Dividend Information paragraph.

10. Investments in subsidiary corporations

	<u>Company</u>	
	30/06/2025	31/12/2024
	RMB'million	RMB'million
<i>Equity investments at cost</i>		
Beginning and end of the financial period/year	<u>350.0</u>	<u>350.0</u>

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

10. Investments in subsidiary corporations (Cont'd)

The Group had the following subsidiary corporations as at 30 June 2025 and 31 December 2024:

<u>Name</u>	<u>Principal Activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares directly held by parent and the Group</u>	
			<u>30/06/2025</u>	<u>31/12/2024</u>
			%	%
<u>Held by the Company</u>				
Shandong Sunsine Chemical Co., Ltd	Manufacturing and sale of rubber chemicals, comprising rubber accelerators, anti-oxidant 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	Manufacturing and sale of rubber chemicals, including rubber accelerators	People's Republic of China	100	100
Shandong Sheng Tao Chemical Co., Ltd	Manufacturing and sale of rubber chemicals, including insoluble sulphur (ceased operations)	People's Republic of China	100	100
Shanxian Sunsine Hotel Management Co., Ltd	Hotel investment and management (dormant)	People's Republic of China	100	100
Shanxian Guangshun Heating Co., Ltd	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	Manufacturing of chemical agent and rubber chemicals	People's Republic of China	100	100
Heze Yongshun Environmental Protection Technology Co., Ltd	Waste treatment	People's Republic of China	100	100
<u>Held by Shanxian Sunsine Hotel Management Co., Ltd</u>				
Shandong Fulong Villa Co., Ltd	Hotel and restaurant (ceased operations)	People's Republic of China	100	100

Significant restrictions

Cash and short-term deposits of RMB2,176.6 million (31/12/2024: RMB2,044.9 million) 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.

11. Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost of RMB151.0 million (30/6/2024: RMB65.1 million), and disposed of assets with an aggregate carrying amount of RMB0.5 million (30/06/2024: RMBNil million).

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

12. Intangible assets

	<u>Group</u>	
	30/06/2025	31/12/2024
	RMB'million	RMB'million
<u>Land use rights</u>		
<i>Cost</i>		
Beginning of the financial period/year	226.4	232.9
Addition	-	3.8
Disposal	-	(14.5)
Reclassified from assets held-for-sale (Note 13)	-	4.2
End of the financial period/year	<u>226.4</u>	<u>226.4</u>
<i>Accumulated amortisation</i>		
Beginning of the financial period/year	27.2	25.7
Amortisation charge	2.2	4.2
Disposal	-	(3.7)
Reclassified from assets held-for-sale (Note 13)	-	1.0
End of the financial period/year	<u>29.4</u>	<u>27.2</u>
Net book value	<u>197.0</u>	<u>199.2</u>

The amortisation charged is included in the statement of comprehensive income as part of administrative expenses.

13. Other receivables – non-current assets

On 29 October 2024, the Group's subsidiary, Shandong Fulong Villa Co., Ltd ("**Fulong Villa**") disposed of its PPE and intangible assets to Shanxian County Government ("**Shanxian Government**") for a cash consideration of RMB 37.6 million ("**Consideration**") and ceased the operations of Fulong Villa. The rationale for this disposal are: (1) Shanxian Government has 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 also can concentrate on its main business activities – 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 from the Shan County Audit Bureau. The disposal resulted in a gain of RMB 5.0 million which has been recorded in the consolidated statement of comprehensive income in the financial year ended 31 December 2024. However, the management does not expect to receive the sales proceeds of the Consideration from Shanxian Government within the next 12 months, and as such, it has been classified as non-current other receivables in accordance with the relevant SFRS(I).

During the negotiation process for the above transaction with Shanxian Government, the Group also managed to obtain an additional compensation of RMB 33.2 million in relation to the relocation of the old factory of the Group's main subsidiary, Shandong Sunsine Chemical Co., Ltd. ("**Shandong Sunsine**") to its current location in 2010, which has been recognised by the Group as "other income" in the financial year ended 31 December 2024. Same as above, the management does not expect to receive this amount from Shanxian Government within the next 12 months, and as such, the Group has also recorded it as non-current other receivables in accordance with the relevant SFRS(I).

	As at 30/06/2025 and 31/12/2024 RMB'million
Other receivables relating to Fulong Villa	37.6
Other receivables relating to Shandong Sunsine	<u>33.2</u>
	<u>70.8</u>

As the repayment date of these receivables depends on the Shanxian Government's future plan and policies, it is uncertain as to when the Group can receive these receivables. Accordingly, the Group has classified these receivables as non-current financial assets, at fair value through profit and loss. At the end of the financial period/year, the fair values which are determined from the cashflow analysis discounted at interest rate of 2.59% (31/12/2024: 2.59%) of these receivables, approximate their carrying amounts.

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

14. Inventories

	<u>Group</u>	
	30/06/2025	31/12/2024
	RMB'million	RMB'million
Raw materials	171.8	177.5
Finished/Trading goods	172.2	186.1
	<u>344.0</u>	<u>363.6</u>

15. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	RMB'million	RMB'million	RMB'million	RMB'million
Notes receivables	277.0	327.0	-	-
Trade receivables				
- Non-related parties	668.7	718.4	-	-
Less: Loss allowance	(3.3)	(5.3)	-	-
Trade receivables - net	665.4	713.1	-	-
Non-trade receivables				
- Subsidiary corporations*	-	-	13.1	222.1
- Non-related parties	10.8	13.1	0.3	0.2
	10.8	13.1	13.4	222.3
Advances to suppliers	59.5	79.3	-	-
Prepayments	3.2	4.0	-	-
	<u>1,015.9</u>	<u>1,136.5</u>	<u>13.4</u>	<u>222.3</u>

*The non-trade receivables from subsidiary corporations are unsecured, interest-free and are repayable on demand.

16. Share capital and treasury shares

(a) Share capital

<u>Group and Company</u>	No. of ordinary shares	Amount	
		SGD'million	RMB'million
As at 31 Dec 2024 and 30 Jun 2025	<u>983,388,000</u>	<u>62.6</u>	<u>313.5</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

There is no movement in the share capital of the Company during the financial period.

There is no outstanding convertibles issued by the Company as at 30 June 2025 (30 June 2024: Nil).

E. Selected Notes to the Condensed Interim Financial Statements (Cont'd)

16. Share capital and treasury shares (Cont'd)

(b) Treasury shares

<u>Group and Company</u>	No. of ordinary shares	Amount	
		← SGD'million	RMB'million →
2025			
As at 31 Dec 2024 and 30 Jun 2025	<u>30,005,200</u>	<u>(13.1)</u>	<u>(67.1)</u>
2024			
As at 1 Jan 2024	24,139,500	(10.7)	(54.5)
Treasury shares purchased	<u>3,384,400</u>	<u>(1.4)</u>	<u>(7.2)</u>
As at 30 Jun 2024	<u>27,523,900</u>	<u>(12.1)</u>	<u>(61.7)</u>

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

(c) Number of ordinary shares excluding treasury shares

<u>Group and Company</u>	No. of ordinary shares excluding treasury shares	Amount	
		← SGD'million	RMB'million →
2025			
As at 31 Dec 2024 and 30 Jun 2025	<u>953,382,800</u>	<u>49.5</u>	<u>246.4</u>
2024			
As at 1 Jan 2024	959,248,500	51.9	259.0
Treasury shares purchased	<u>(3,384,400)</u>	<u>(1.4)</u>	<u>(7.2)</u>
As at 30 Jun 2024	<u>955,864,100</u>	<u>50.5</u>	<u>251.8</u>

17. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	30/06/2025 RMB'million	31/12/2024 RMB'million	30/06/2025 RMB'million	31/12/2024 RMB'million
Trade payables - Non-related parties	34.9	31.0	-	-
Non-trade payables - Non-related parties	126.3	87.3	-	-
Accruals for operating expenses	153.1	157.5	13.8	14.6
Deferred grants	7.0	5.5	-	-
Contract liabilities	25.6	35.2	-	-
	<u>346.9</u>	<u>316.5</u>	<u>13.8</u>	<u>14.6</u>

Contract liabilities relate to the considerations received from customers for the unsatisfied obligation in providing treatment of waste services.

18. Borrowings and debt securities

The Group and the Company do not have any outstanding borrowings as at 30 June 2025 and 31 December 2024.

F. Other information

Audit or review

The consolidated condensed interim statements of financial position as at 30 June 2025 and the related consolidated interim statement of comprehensive income, statements of changes in equity and statement of cash flows for the six months period and the selected explanatory notes (the “**Consolidated Interim Financial Statements**”) have not been audited or reviewed by the Company’s independent auditor.

Review of the Group Performance

Condensed Consolidated Interim Statements of Comprehensive Income

Revenue decreased slightly by 3% to RMB 1,690.2 million in 1H2025 as compared to RMB 1,749.1 million in 1H2024, due to the decrease in overall Average Selling Price (“**ASP**”), offset by the increase in the sales volume.

ASP decreased by 7% to RMB 15,195 per tonne in 1H2025 as compared to RMB 16,393 per tonne in 1H2024. The decrease in ASP was mainly due to (i) the decrease in the price of raw materials; and (ii) the Group continuing to adopt a more flexible pricing strategy in response to the intensified competition.

Analysis of Sales and Volume

	Sales Volume (Tonnes)		Sales (RMB'million)	
	1H2025	1H2024	1H2025	1H2024
Rubber Chemical				
Accelerators	52,948	52,636	1,011.3	1,043.4
Insoluble Sulphur	22,265	19,247	143.3	120.8
Anti-oxidant	33,384	32,755	495.3	551.4
Others	1,098	826	16.9	13.3
Total	109,695	105,464	1,666.8	1,728.9
<i>Local Sales</i>	<i>64,804</i>	<i>62,383</i>	<i>911.0</i>	<i>970.4</i>
<i>International Sales</i>	<i>44,891</i>	<i>43,081</i>	<i>755.8</i>	<i>758.5</i>
Heating Power	28,968	34,198	8.0	9.1
Waste treatment	7,913	6,151	15.4	11.1

Due to the Group’s adoption of more flexible pricing strategy mentioned above, the **sales volume** in 1H2025 for all three categories products increased year-on-year by 1%, 16% and 2%, respectively, and the overall sales volume in 1H2025 increased by 4% from 105,464 tonnes in 1H2024 to **109,695** tonnes, another **record high** half yearly sales volume achieved by the Group.

Domestic sales volume increased by 4% mainly due to the Group actively reacting to market competition, while the international sales volume also increased by 4%, mainly due to many Chinese tyre manufacturers establishing plants in Southeast Asia, leading to an increase in orders from the Southeast Asian market.

Gross profit decreased by 4% from RMB 433.6 million in 1H2024 to RMB 415.8 million in 1H2025 mainly due to decreased ASP, while gross profit margin (“**GPM**”) remained stable with a very minimal decrease of 0.2 percentage point from 24.8% to 24.6%.

Other income increased by 56% from RMB 33.5 million in 1H2024 to RMB 52.1 million in 1H2025, mainly due to higher income generated from the control landfill.

Other gains, net amounted to RMB 4.4 million in 1H2025, a 76% decrease as compared to RMB 18.7 million in 1H2024, mainly due to lower exchange gains.

Selling and distribution expenses increased by 15% from RMB 52.6 million in 1H2024 to RMB 60.5 million in 1H2025, mainly due to higher freight costs and port charges caused by higher sales volume.

Administrative expenses increased by 6% from RMB 95.2 million in 1H2024 to RMB 100.7 million in 1H2025, mainly due to the higher depreciation charges allocated to administrative expenses as a result of more downtime during Chinese New Year 2025, higher sewerage cost and higher staff incentive accrued as a result of higher profit generated in 1H2025.

Research and development (“R&D”) expenses were RMB 4.6 million in 1H2025, a 93% decrease from RMB 69.9 million in 1H2024, mainly due to minimal R&D activities carried out.

For the above reasons, **profit before income tax** increased by 14% from RMB 268.1 million in 1H2024 to RMB 306.5 million in 1H2025, and **net profit** increased by 29% from RMB 188.8 million in 1H2024 to RMB 242.7 million in 1H2025.

Condensed Interim Statements of Financial Position

Property, plant and equipment increased by RMB 85.2 million from RMB 835.0 million to RMB 920.2 million, mainly due to additions to PPE, offset by depreciation charged.

Inventories decreased by RMB 19.6 million from RMB 363.6 million to RMB 344.0 million, mainly due to decrease in the prices of raw materials.

Trade and other receivables decreased by RMB 120.6 million from RMB 1,136.5 million to RMB 1,015.9 million, mainly due to decrease in notes receivables as well as decrease in trade receivables as a result of the Group's tightening of collections.

The aging report of notes receivables and trade receivables as at 30 June 2025 are as follows:-

	1 – 3 months	3 – 6 months	6 – 12 months	> 12 months	Total
	RMB' million	RMB' million	RMB' million	RMB' million	RMB' million
Notes receivables	88.9	188.1	-	-	277.0
Trade receivables	563.7	79.9	22.9	2.2	668.7
Loss allowance	-	-	(1.1)	(2.2)	(3.3)
Net trade receivables	563.7	79.9	21.8	-	665.4

Trade and other payables increased by RMB 30.4 million from RMB 316.5 million to RMB 346.9 million mainly due to increase in payables to project contractors.

Condensed Consolidated Statements of Cash Flows

Net cash provided by operating activities amounted to RMB 431.5 million, mainly contributed from the profit generated during the financial period as well as improvement in collection from trade receivables.

Net cash used in investing activities amounted to RMB 117.5 million, mainly due to additions to PPE offset by interests received.

Net cash used in financing activities amounted to RMB 158.4 million, due to distribution of dividend in May 2025.

Variance from Prospect Statement

In Section F Prospects paragraph of our FY2024 results announcement dated 28 February 2025, the Company stated that "Entering into FY2025, the global economy continues to face challenges and uncertainties... Locally, the Group continues to face strong competition in the rubber chemicals industry...The Group will continue with its strategy of "sales production equilibrium" and strengthening its market leadership position." Therefore, the current results are in line with the Company's commentary.

Prospects

China's GDP grew 5.3% in 1H2025, and 5.2% in 2Q2025¹, demonstrating resilience, stability and the potential for long-term improvement of the Chinese economy, despite a complex external environment and rising global uncertainties. Automakers sold a total of 15.653 million units² in China in the first half of 2025, representing an increase of 11.4% in auto sales year-on-year. It is also noted that the sales volume of New Energy Vehicles ("NEVs") rose 40.3% year-on-year to approximately 6.9 million units in 1H2025, accounting for 44.3% of total new vehicle sales.

The global economy continues to face challenges and uncertainties. The rising geopolitical tensions, escalating international conflicts, and the ratcheting up of trade protectionism have heightened risks and uncertainties in the business landscape. The US's reciprocal tariffs further deepened global trade uncertainty.

Locally, the oversupply situation and competition within the Chinese rubber chemicals industry continue to intensify. The prices of our main raw materials are hovering at their low-end. All these have placed significant pressure on our selling prices.

The recent meeting of the Central Commission for Financial and Economic Affairs held in July 2025 stressed the efforts to regulate disorderly low-price competition among enterprises, and promote the orderly exit of outdated production capacity. This may have a positive impact on our business in the long run.

Nevertheless, the Group will continue with its strategy of "sales production equilibrium", and adopt a more flexible pricing strategy. Beyond market expansion, the Group is also dedicated to enhancing internal efficiency, and we strive to maximise profitability by increasing productivity, reducing costs, and improving internal management processes. With a strong foundation and a clear vision, we are confident about the Group's future growth and success.

Updates on capacity expansion plans

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

The trial run of the Phase 2, 30,000-tonne per annum IS project is in progress. The management expects commercial production to commence by 4Q2025.

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

The Phase 2 MBT project is under construction. The management expects that the Phase 2 MBT Project will be ready for trial run by the end of 2025.

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

The Weifang MBT project is under construction. The management expects that the project will be ready for trial run in early 2026.

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

The CBS project is under construction. The management expects that the project will be ready for trial run in early 2026.

Below is a summary of our Annual Capacity³ 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
Total	192,000	192,000	254,000	254,000	254,000	254,000	272,000

¹ Source: National Bureau of Statistics

² Source: The State Council of PRC Official Website

³ Annual Capacity excludes capacity of intermediary materials such as 4ADPA and MBT

Dividend Information

a. Current period reported on

Any dividend recommended for the current financial period reported on?

- Yes

Name of dividend	Proposed Interim
Dividend Type	Cash
Special dividend amount per share	SGD0.005 per ordinary share
Tax Rate	One-tier Tax exempt

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

- No.

c. Date payable

26 September 2025

d. Books closure date

12 September 2025

Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

Confirmation of Undertakings from Directors and Executive Officers

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Announcement of Acquisition and Realisation pursuant to Rule 706A

There is no acquisition or realisation incurred during the reporting period.

Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual

On behalf of the Board of Directors of the Company, we confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first half-year financial results for the period ended 30 June 2025 to be false or misleading in any material respect.

On behalf of the Board of Directors

Xu Cheng Qiu
Executive Chairman

Xu Jun
Executive Director

Dated: 13 August 2025

[End]