



China Sunsine Chemical Holdings Ltd.

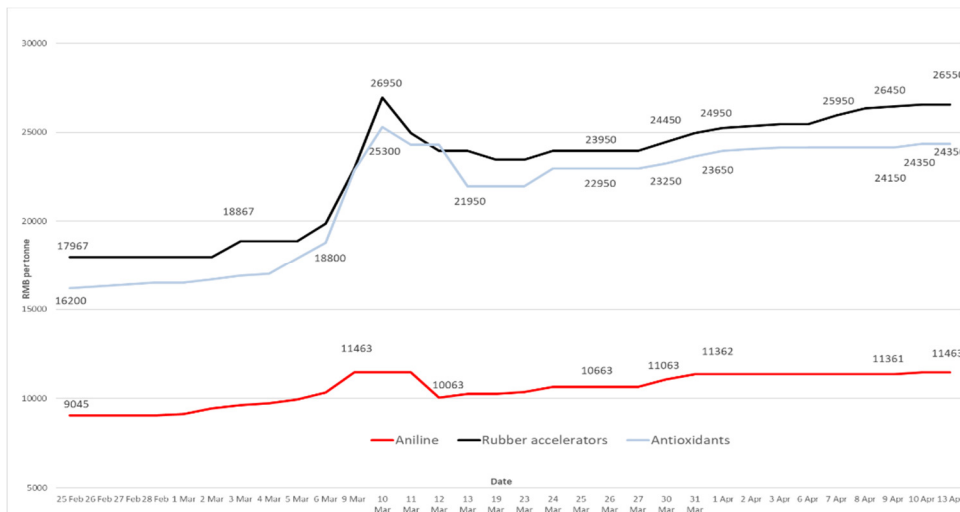
16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

RESPONSE TO THE QUESTIONS FROM OUR SHAREHOLDERS FOR THE PURPOSE OF AGM

The Board of Directors (the “**Board**”) of China Sunsine Chemical Holdings Ltd. (the “**Company**” or “**China Sunsine**” and together with its subsidiaries, collectively the “**Group**”) wishes to provide the following information in response to questions from our shareholders (whose names are set out in brackets next to their questions) received by the Company between the period from 14 April to 21 April 2026 (“**Q&As**”) for the purposes of our annual general meeting (“**AGM**”) to be held on 29 April 2026.

1. Surging prices of rubber accelerators and antioxidants (Teo Kheng Lin)



Source: Rubber accelerators & antioxidants -- Sci99; Aniline -- Sunsirs,

Between 25 February and 13 April, both rubber accelerators and antioxidants rose by almost 50% in price compared to aniline's 27%. What were the causes of the disparity? Would this not lead to much higher GPM?

Company's response:

We believe the recent sharp rise in accelerator and anti-oxidant prices is mainly due to higher raw material costs and market sentiment.

Firstly, recent developments in the Middle East have pushed up international crude oil prices, which in turn has led to a significant increase in the prices of key raw materials such as aniline and other petrochemical products. This has driven up rubber chemical's prices.

Secondly, the uncertainty in the Middle East has led some companies to expect further increases in raw material prices. This has created a sense of urgency, resulting in stronger buying activity which further support the upwards of rubber chemical's prices.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

In addition, some earlier orders were priced at relatively low levels, and companies have since raised prices on new orders to make up for those earlier pricing levels.

In theory, if selling prices rise more than raw material costs, gross margins may improve.

2. MBT (Teo Kheng Lin)

The solvent MBT was developed at the government's request to lessen pollution caused by the "traditional" one.

In the previous Q&As, the management stated:

- (a) The operating cost of solvent MBT is lower than that of the traditional MBT by RMB 2,000 per tonne.
- (b) There is no immediate plan to phase out Sunsine's 45,000-tonne traditional MBT capacity.
- (c) Small "traditional" MBT producers abound, and from the feedstock, they produce small quantities of rubber accelerators.

In 2025, Sunsine produced 24,626 tonnes of solvent MBT (19,755 tonnes in 2024). Were they entirely from Phase One? What is the current market price of MBT?

Is Sunsine's solvent MBT production method among Sunsine's 45 invention patents?

Has Sunsine's environmentally friendly, lower-cost solvent MBT led to structural changes in the rubber accelerator industry?

Company's response:

In 2025, most MBT production came from Phase I, with a small portion contributed by trial production from Phase II. The current price of MBT is approximately RMB 19,000 per tonne (inclusive of VAT).

The solvent-based MBT production process developed by Sunsine is one of its 45 granted patents.

At present, MBT production across the rubber chemicals industry is gradually shifting towards the solvent-based method, as it is more environmentally friendly and has lower production costs. However, different companies use different solvents and production techniques, which may lead to some variations in the process.

3. MBT from Weifang (Teo Kheng Lin)

The MBT capacity at Weifang is 50,000 tonnes, comprising 30,000 tonnes for "traditional" and 20,000 tonnes for "solvent".

Previously, "traditional" MBT from Weifang was sent to Shanxian as feedstock for rubber accelerators. Now that MBT capacity at Shanxian is 75,000 tonnes, what are the markets for Weifang's MBT? Will the rubber accelerator capacity at Weifang be expanded?

Company's response:

The production of MBT using the traditional acid-base method will gradually decline, but it will not be completely phased out, as certain accelerators still require MBT produced via this method as a feedstock.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

At present, there are no plans to expand accelerator production capacity at the Weifang plant.

4. Rubber accelerator CBS(Teo Kheng Lin)

Will CBS become Sunsine's major product, replacing TBBS, after the completion of the 20,000-tonne CBS project?

What is the price difference between the two accelerators?

Does tyre manufacturing consume more CBS than TBBS?

Company's response:

After expansion, the production capacity of CBS is broadly comparable to that of TBBS. However, TBBS remains our main product at present, as it accounts for higher order volumes and sales.

In general, the price of CBS is about RMB 3,000–5,000 per tonne lower than TBBS. Recently, this price gap has widened further.

Both CBS and TBBS are widely used rubber accelerators in tire production. They are used in both semi-steel (passenger car) and all-steel (truck and bus) tires. However, CBS tends to be used more in semi-steel tires, while TBBS tends to be used more in all-steel tires, depending on the formulations used by different tire manufacturers. At present, the utilisation rate for semi-steel tire production is slightly higher than that for all-steel tires.

5. Insoluble Sulphur (Teo Kheng Lin)

Last year, Sunsine stated that despite low selling prices, insoluble sulphur was profitable in 2024:

"The low selling price of insoluble sulphur is mainly due to intense market competition. With the current selling price, we are still able to make profit, primarily due to the Group's economies of scale and efficient use of raw material recycling, which has helped reduce production costs, allowing our products to remain competitive in the market."

Has the price of insoluble sulphur increased alongside the higher sulphur price?



China SunSine Chemical Holdings Ltd.

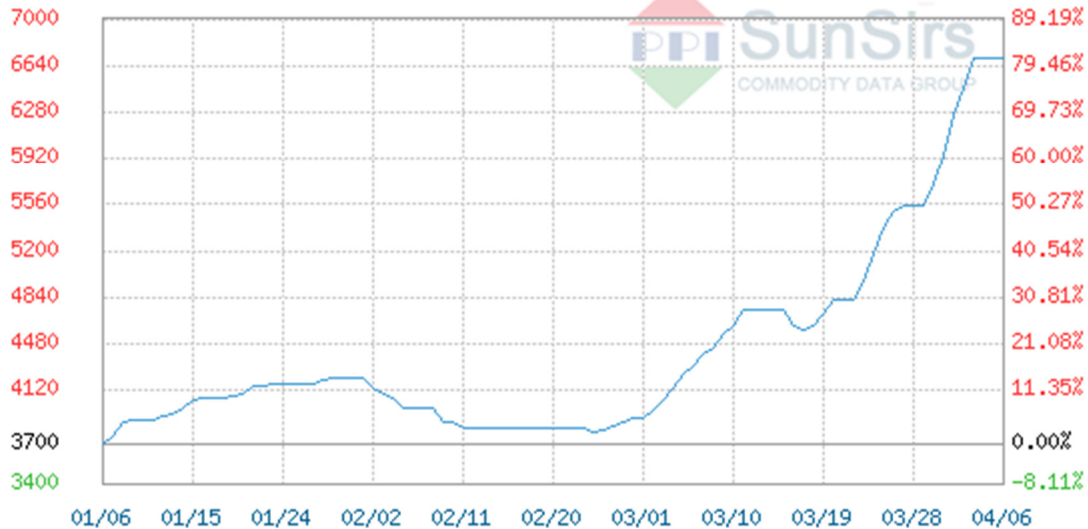
16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunSine.com

Company Registration No.: 200609470N

China Sulfur Spot Price

Sulfur 2026-01-06 - 2026-04-06 (Unit: RMB/ton)

Industrial grade; Sulfur granule; Grade: Qualified; S content /% ≥ 99 ;
Application: fireworks and pesticides;



Will the gross profit margin of the insoluble sulphur segment be higher, given that the capital expenditure for Phase Two (RMB 100 million) was much lower than that of Phase One (RMB 270 million)?

Company's response:

Yes, the price of insoluble sulphure increases alongside the higher sulphure price.

Phase II has the same scale as Phase I, with both having a capacity of 30,000 tonnes per annum. However, the capital expenditure for Phase II is significantly lower than that of Phase I, mainly because certain supporting infrastructure required for Phase II was already built during the construction of Phase I.

Phase I is operating at close to full utilisation, while Phase II has just started and will not reach full capacity immediately. The capacity from Phase II is intended to meet demand over the coming years and will depend on market conditions.

As such, under current conditions, there is no assurance that the gross margin of the insoluble sulphur segment will improve. The largest cost component for insoluble sulphur remains raw materials, while overhead accounts for less than 10% of total costs.

Therefore, our focus is to continue driving sales growth in insoluble sulphur in order to generate higher overall profit for the company.



China SunSine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
 Tel: (65) 6220-6686 Website: www.ChinaSunSine.com

Company Registration No.: 200609470N

6. Forex risk (Paul Tan)

Why did SunSine increase holdings in USD and JYP, and take in HKD, all of which are weak relative to RMB? Are all raw materials not sourced in China?

Cash & cash equivalents (RMB million)

	RMB	HKD	USD	EUR	SGD	JPY	Total
2025	1,045	63	1,071	10	29	110	2,329
2024	1,493	0	440	43	28	69	2,074

• 1 USD = 6.83071 CNY 14 Apr 2026, 00:12 UTC

USD to CNY Chart -6.69% (1Y)



• 1 HKD = 0.872268 CNY 14 Apr 2026, 00:14 UTC

HKD to CNY Chart -7.58% (1Y)





China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N



The higher deposit rates for non-RMB are insufficient safeguards against exchange loss as the US\$ and other major currencies weaken. Should the conversion of foreign currencies into RMB not be accelerated to minimise forex loss? As USD, HKD, and JPY have continued to slide, will forex loss become the norm?

Company's response:

The Group's export sales are mainly settled in US dollars. In order to preserve and increase the value of its USD-denominated assets, the Company carries out currency SWAP hedging transactions with banks, in accordance with recommendation and advice received from the banks.

All Japanese yen and Hong Kong dollar assets are held on a temporary basis and will be sold upon maturity. Each swap hedging transaction is conducted only when it is expected to generate a positive return from the foreign exchange position.

We continuously monitor foreign exchange movements closely. When exchange rates are favourable, we convert foreign currency holdings into RMB and actively engage in hedging transactions with banks.

It should also be noted that, when we quote our ASP for export orders, we factor in potential currency appreciation or depreciation.

7. Safety and environmental protection (Paul Tan)

Sunsine has mastered TBzTD production.

"Due to the harmful substances generated, the government discourages the production of TMTDs and encourages its replacement, TBzTDs, instead. There is no explicit ban under current regulation. TBzTD costs more than twice as much as TMTD due to its more expensive raw material, but works just the same as TMTD. Therefore, the market acceptance of TBzTD is not high. The Group had done the pilot test of TBzTD several years ago and mastered the production process. Once TMTD is prohibited, the Group can quickly switch to produce TBzTD instead..." page 7 of reply to shareholder questions before 2021 AGM.

Is TBzTD listed in China's 15th 5-year plan as a desirable rubber accelerator?

According to [DeepSeek - Into the Unknown](#), the current product standards of rubber accelerator DPG may be revised in the future with safety and environmental protection in mind.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

Is Sunsine's DPG capacity 9,000 tonnes? Is greener DPG production being explored?

Company's response:

TBzTD is not listed in China's 15th 5-year plan as a desirable rubber accelerator

Based on our current understanding, there are no imminent or confirmed revisions to the product standards for rubber accelerator DPG.

Our current DPG capacity is 10,000 tonnes per annum.

The Group remains committed to product development and process optimisation, including for DPG, to enhance production efficiency and promote green production practices. We continue to monitor industry and regulatory developments closely, particularly in relation to safety and environmental considerations, and will factor in any relevant changes and respond as appropriate.

8. Steam and electricity generation (Paul Tan)

Was the overall utilisation rate of the two operating boilers around 50% (947,422 / 2 x 936,000) in 2025, given that each boiler can produce 936,000 tonnes of steam operating 7,200 hours per year?

Were continuous improvements the cause of efficiency? If so, what were the examples of improvements?

Steam consumption (tonnes) per unit production

2021....	3.69
2022....	3.50
2023....	3.48
2024....	3.24
2025....	3.09

In 2025, Sunsine consumed 211 million kWh of electricity. In that year, Guangshun generated 102 million kWh. Will electricity generation be stepped up?

Company's response:

In 2025, due to lower steam demand from other production enterprises within the Shanxian chemical zone, our heating plant operated only one boiler. Based on the boiler's annual steam production capacity of 936,000 tonnes, its utilisation rate exceeded 100%.

To manage energy effectively, the Group has adopted a series of measures (please refer to pages 30–31 of the Sustainability Report 2025). These measures have delivered positive results. As shown in the table above, steam consumption per unit of production has gradually decreased from 2021 to 2025.

With regard to electricity generation, the Group has consistently adopted a steam-driven cogeneration model, whereby electricity generation is aligned with steam production rather than being generated independently.



China SunSine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunSine.com

Company Registration No.: 200609470N

9. Productivity (Paul Tan)

The headcount has remained at about 2,100 despite a 1.3-fold increase in sales volume over the past 12 years.

Year	Headcount	Rubber chemical sales (tonnes)	Per-capita (tonnes)
2013	2,134	98,345	46.1
2014	2,186	108,973	49.9
2015	2,084	114,572	55.0
2021	2,249	195,405	86.8
2022	2,193	186,153	84.9
2023	2,116	206,996	97.8
2024	2,125	214,094	100.7
2025	2,101	222,243	105.9

What are the scopes for further gains? Is the wider use of robotic arms to automate manual operations one of them?

Company's response:

The Group has been continuously improving its production processes to enhance efficiency, with a focus on continuous, automated and green manufacturing. The use of robotic arms to replace manual operations represents one of the practical initiatives in advancing automation upgrades.

10. Tert-butylamine (tBA) -- raw material of TBBS (Goh Chin Tong)

According to [China Tert-butylamine spot price, China Tert-butylamine Daily prices provided by SunSirs, China Commodity Data Group](#), the price of tBA has been flat since January.

Did TBBS enjoy a high GPM given the price stability of raw material tBA?

Company's response:

The price of tert-butylamine, a key raw material for TBBS, remained stable in the first quarter but began to rise sharply in early April. Approximately half of the Group's orders adopt a quarterly pricing mechanism, whereby prices for the next quarter are locked in one quarter in advance, resulting in a time lag versus prevailing market prices. Therefore, we are unable to comment specifically on the gross margin of individual products.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

11. Low sales volume and price of antioxidants in 2H25 (Goh Chin Tong)

In 2H25, fewer antioxidants were sold than in 1H25, and at lower prices. What were the causes?

	1H25	2H25
Sales vol (tonnes)	33,384	31,305
Price (RMB/tonne)	14,823	12,572

Have both sales volume and prices recovered?

Company's response:

The reason for the lower price and fewer sales volume of anti-oxidants products in 2H25 compared to that in 1H2025 is because intensified market competition resulted from oversupply situation, as well as lower raw material prices.

Driven by rising oil prices which have lifted chemical product prices, we are currently observing an increase in both the price and sales volume of anti-oxidant products.

12. Hedging product prices (Goh Chin Tong)

To eliminate profit uncertainty, will Sunsine consider hedging aniline prices when an order for rubber chemicals is accepted, rather than paying the spot price of aniline when the rubber chemicals are manufactured later? Are there barriers to hedging?

Company's response:

The Group does not conduct hedging on our major raw material - aniline. This is mainly because the consumption of aniline for rubber chemicals accounts for only a small proportion of its overall applications, and the Group's procurement volume is relatively small compared with aniline producers and the overall market size. Therefore, there are no practical conditions for hedging.



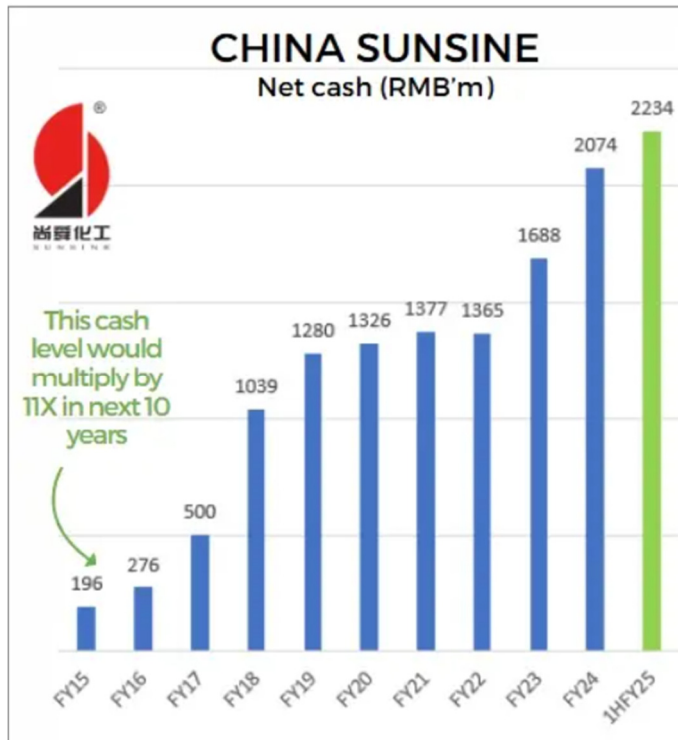
China SunSine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
 Tel: (65) 6220-6686 Website: www.ChinaSunSine.com

Company Registration No.: 200609470N

13. The cash pile (Paul Tan)

Prudent management has led to cash accumulation despite high growth.



Capacity (tonnes)	2025	254,000	↑	5.8X
	2007	44,000		
Sales Volume (tonnes)	2025	222,243	↑	7.1X
	2007	31,281		
Revenue (RMB' mln)	2025	3,277	↑	5.3X
	2007	620		
Net Profit (RMB' mln)	2025	404.9	↑	5.3X
	2007	76.0		
Equity (RMB' mln)	2025	4,437.6	↑	9.5X
	2007	469.0		

Cash amounted to RMB 2,329 million at the end of 2025, and notes receivable stood at RMB 257 million. This was achieved despite prompt payment (5 days) to suppliers, and tyre makers took 75 days to settle what they owed to SunSine. More importantly, since the IPO, dividends totalled RMB 1,116 million and income tax RMB 1,392 million.

Cash will continue to pile up when new capacities (30,000 tonnes for insoluble sulphur, 20,000 tonnes for CBS, and 60,000 tonnes for MBT) start commercial production.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

In 2025, inventory purchases cost RMB 1,904 million. With such strong foundations, the Board and Management can be more relaxed and be more generous in dividend payout.

Cash yield is low, and exchange risk is high when substantial sums are kept in foreign currencies.

Company's response:

The Group has consistently adopted a prudent cash and asset management strategy. As mentioned in the response to Question 6, we continue to closely monitor movements in foreign currency assets and, through appropriate measures, make our best efforts to preserve and enhance the value of the Company's assets.

Over more than 40 years of development and 18 years as a listed company, the Group has adhered to a sound and steady operating philosophy, continuously strengthening its foundation, laying a solid basis for future development, and consistently creating long-term value for shareholders.

With its healthy and stable financial position, the Group enjoys certain advantages over peers in areas such as raw material procurement, R&D investment, capacity expansion, and new project development, thereby enhancing overall operational safety and efficiency. At the same time, the Group places strong emphasis on shareholder returns. Subject to business development and funding requirements, the Group has maintained stable dividend distributions since listing. The Group has set its dividend policy for 2025 and 2026 at no less than 40% of net profit.

The Group would like to thank shareholders for their long-standing support and looks forward to their continued trust and confidence.

14. Accelerator market share: (Kee Kerk Cheng)

- a. Local market share has increased commendably to 37%, please share some details on this: whether it is due to the company's pricing power or smaller firms being pushed out of the market or some other reason?
- b. International market share has increased to 25%, please share some details on the competition dynamic on this front.

Company's response:

A. China Sunsine is the world's largest producer of rubber accelerators, one of China's largest producers of insoluble sulphur, and a significant producer of antioxidants. In 2025, the Group's accelerator market share further increased, reaching 37% in China and 25% globally.

Through more than four decades of development, the Group has gradually accumulated comprehensive advantages in product quality, production scale, financial strength, R&D capabilities, automation, green production, and more, earning high recognition from downstream customers. Leveraging its economies of scale, the Group is able to receive more orders and meet increasing market demand. As a result, its market share has further expanded.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

B. Foreign production capacity for rubber chemicals remains relatively small. Overall, China remains the world's largest producer of rubber chemicals. According to incomplete statistics, China accounts for more than 70% of global production. In recent years, the Group's export sales have increased year by year, reaching approximately 44% of total revenue in 2025.

Whether in international or domestic markets, the Group's main competitive pressure still comes primarily from other Chinese players. It is precisely by leveraging its comprehensive competitive advantages that the Group has been able to continuously expand its market share.

15. The company's R&D expenditure has dropped significantly in recent years. Can the management share some details? (Kee Kerk Cheng)

Company's response:

As R&D projects have been gradually completed in recent years, R&D expenses have dropped significantly.

16. Can management give us an overview of the current market conditions and trends for the following: (Kee Kerk Cheng)

- a. What are the current industry technological trends and how is the company positioning itself?
- b. Has any competitors locally and abroad expanded their production capacity? Can the management share some details?

Company's response:

- a. At present, the main technological trends in the rubber chemicals industry are moving toward intelligence (including automation), green production, and sustainable development.*

The Company has been actively striving in these areas, continuously investing in R&D and technological upgrades to improve production efficiency, reduce environmental impact, and enhance long-term competitiveness. The Group is both an active participant in this trend and a top player in the industry.

- b. Regarding capacity expansion by competitors, we do not have complete information on the specific situation abroad. According to market rumors, there may be some new capacity added in India, but overall, the global production center for rubber chemicals remains in China.*

In recent years, China's rubber chemicals industry has undergone consolidation, showing a clear trend of polarization. Better-performing, larger-scale producers have been continuously expanding their production capacity in recent years to consolidate their market positions. This trend has led to an overall oversupply situation in the rubber chemicals industry, resulting in persistently fierce competition within the industry.



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

17. How has the closure of the Strait of Hormuz impacted you? If the closure continues, how do you expect it to impact you? (Andrew Wong)

Company's response:

The temporary closure of the Strait of Hormuz has led to a sharp rise in crude oil prices and a significant increase in petrochemical product prices, causing the Company's raw material costs to rise significantly as well. However, since all of the Company's raw materials are procured locally within China, its supply chain has not been disrupted. We can increase the selling prices in response to higher raw material prices.

If the closure continues, both raw material prices and our product's selling prices will continue to rise.

18. Cash and cash equivalents have increased from 14% of revenue in 2016 to 71% in 2025. What's your plan for the cash pile? (Andrew Wong)

Company's response:

Our cash reserves will be used or set aside for the following activities (in RMB):

- Working Capital: 300-400 million*
- Facilities Maintenance & Upgrading (including environmental facilities): 100-200 million*
- Dividend: 150-200 million*
- Additional PPE: 100-200 million*

In addition, we are in preliminary discussions stage to undertake new expansion projects, as well as to carry out new R&D activities. The rest of our cash is reserved for any unforeseen circumstances and potential business developments.

19. Thank you for formalizing your dividend policy. Could the Board please explain what specific factors they consider when deciding the dividend policy? (Andrew Wong)

Company's response:

When determining the dividend rate or dividend policy, the Board carefully evaluates and comprehensively balances all stakeholders' interests by considering many factors, such as financial position, market conditions, the expansion plans, and the need for working capital, etc.

20. When do you expect the oversupply and price competition to start easing? (Andrew Wong)

Company's response:

The Company expects that the oversupply situation and the resulting price competition will not ease significantly in the short term.

Nevertheless, the Chinese government and the industry have begun to advocate against "involution" (excessive internal competition), encouraging companies to shift from low-price competition to high-quality development, differentiated competition, and green manufacturing. The Company is actively responding to this direction by enhancing its competitiveness through technological innovation, product upgrades, and cost control, rather than relying solely on price



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

wars. The Company will continue to focus on strengthening its comprehensive competitive advantages to maintain steady and healthy development in the fierce market environment.

21. R&D expenses decreased -94% in 2025. (Andrew Wong)

What is the composition of R&D expenses (e.g. salaries) in 2024?
Please provide more details on why it decreased so much.
How sustainable is the current level of R&D expenses?

Company's response:

In accordance with the Company's disclosure policies and confidentiality, the Company does not disclose the detailed composition of R&D expenses for 2024.

For the reasons behind the decrease in R&D expenses in 2025, please refer to our answer to Question 15.

The Company's current R&D expenditure is indeed at a relatively low level. However, as the Company explores, studies, or initiates new projects, R&D expenses may increase accordingly.

22. Notes 4(b) and 4(c) of the financial statements indicate that RMB 35.2 mn of revenue recognised in the current period originated from the opening contract liabilities balance, which is entirely attributed to the waste treatment segment. However, Note 4(a) reports total revenue for this segment at only RMB 28.7 mn. Could management reconcile this RMB 6.5 mn difference? (Andrew Wong)

Company's response:

Thank you for pointing out this issue.

The disclosure in Note 4(c) was incorrect due to an inadvertent mis-extraction of information during the preparation of the annual report.

The correct amount of revenue recognised from opening contract liabilities should be RMB 12,409,000 instead of RMB 35,224,000 as disclosed.

This discrepancy is limited to the disclosure in Note 4(c) and does not materially affect any other figures in the financial statements.

The Company will ensure greater care in the extraction and presentation of such information in future reports.

23. Note 12: Why has raw materials increased? Why has finished/trading goods decreased? Why are there no work-in-progress reported? (Andrew Wong)

Company's response:

A brief explanation for Note 12 is as follows:

Increase in raw materials: *Mainly due to the procurement of raw materials in preparation for production in the coming quarter.*



China Sunsine Chemical Holdings Ltd.

16 Raffles Quay #15-08 Hong Leong Building Singapore 068902
Tel: (65) 6220-6686 Website: www.ChinaSunsine.com

Company Registration No.: 200609470N

Decrease in finished/trading goods: Mainly due to sufficient downstream orders during the reporting period, faster shipment, and effective inventory reduction.

No work-in-progress reported: Rubber chemicals production is a continuous chemical process with a short production cycle. The amount of materials still in process at the period end is extremely minimal. In accordance with the materiality principle, it is not separately reported, which is consistent with industry practice.