

CHINA SUNSINE CHEMICAL HOLDINGS LTD.

中国尚舜化工控股有限公司

(Company Registration No. 200609470N)

(the “Company”)

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 27 MAY 2020 AT 10.00 A.M.

2020年5月27日，星期三，上午10点举行的年度股东大会会议记录

Present 出席

Shareholders/Proxies

The full attendance list of shareholders and proxies is separately maintained by the Company Secretary.

Board of Directors

Mr Xu Cheng Qiu	Executive Director
Mr Liu Jing Fu	Executive Director
Mr Xu Jun	Executive Director
Mr Xu Xian Lei	Executive Director
Mr Lim Heng Chong Benny	Lead Independent Director, Chairman of Nominating Committee
Mr Koh Choon Kong	Independent Director, Chairman of Audit Committee
Mr Yan Tang Feng	Independent Director
Mr Tan Lye Heng Paul	Independent Director
Mdm Xu Chun Hua	Independent Director, Chairman of Remuneration Committee

In Attendance / By Invitation 受邀出席

Mr Tong Yiping	Chief Financial Officer and Joint Company Secretary
Ms Dai Lingna	Joint Company Secretary
Mr Titus Kuan Tijan	Audit Partner, Nexia TS Public Accounting Corporation
Ms Zhu Li	Nexia TS Public Accounting Corporation
Mr Robert Tan	Share Registrar, Tricor Barbinder Share Registration Services
Mr Melvinder Singh	Scrutineer, Virtus Assure Pte. Ltd.

1. CHAIRMAN

大会主席

Mr Lim Heng Chong Benny, the Lead Independent Director of the Company, was appointed in accordance with the Constitution of the Company to preside as the Chairman of the Company's Annual General Meeting (the “**Meeting**”), in place of Mr Xu Chengqiu, the Executive Chairman of the Company. On behalf of the Board of Directors, Mr Lim Heng Chong Benny (the “**Chairman**”) took the chair of the Meeting and extended a warm welcome to all members attending the “LIVE” webcast of the Meeting. The Meeting was declared open.

根据公司章程，委任公司的首席独立董事，林亨聪先生为大会主席，代替公司的执行主席董事长徐承秋先生主持本次股东大会（“**大会**”）。林亨聪先生（“**主席**”）代表董事会欢迎所有与会成员并宣布大会开始。

2. QUORUM
法定人数

Having ascertained that a quorum was present, the Chairman called the Meeting to order at 10.00 a.m.

主席确认出席会议的人数已构成足够的法定人数，并于上午 10 时宣布会议开始。

3. NOTICE
会议通知

The Notice of Meeting dated 5 May 2020, having been previously published on the Company's corporate website and the SGXNet, was taken as read.

2020 年 5 月 5 日的会议通知已提前发给所有与会成员，视为已被阅读。

The Chairman informed the Meeting that voting on the proposed resolutions at the Meeting would be conducted by way of poll via proxy voting. Virtus Assure Pte Ltd was appointed as the scrutineer (the "**Scrutineer**") for the conduct of the poll, and First Board Corporate Advisory Pte. Ltd. was appointed as the Polling Agent.

主席告知，在本次大会的所有决议将通过记名投票方式表决。本次会议委任 First Board Corporate Advisory Pte. Ltd. 为投票代理人，Virtus Assure Pte. Ltd. 为监票人。

The Chairman invited Mr Xu Cheng Qiu, the Executive Chairman of the Company, to give a speech. After the Chairman gave his speech in Chinese, the Chief Financial Officer of the Company, Mr Tong Yiping, translated the Chairman's speech into English for the benefit of the Company's non-Chinese speaking shareholders. The Chairman's speech (in both English and Chinese) is set out in Appendix 1 of these minutes

会议主席邀请公司执行主席董事长徐承秋先生致词。董事长以中文致词后，公司首席财务官童一平先生将董事长致词翻译成英语以便那些不会讲中文的股东理解。董事长致词（中英文）附在本会议记录之后作为“附件 1”。

Thereafter, the Chairman informed that the Company had addressed all substantial and relevant questions from shareholders in detail in an announcement released on SGX website on 26 May 2020. The responses could also be found on the Company's corporate website. In the interest of time, the Chairman informed that he would not read out the questions and the Company's responses at the Meeting. The questions raised by the shareholders and the responses/explanation given are set out in Appendix 2 of these minutes.

董事长致词后，会议主席告知，公司已在 2020 年 5 月 26 日发布一项公告详细回答了股东们提出的重要及相关问题。公司回答股东提问的内容也可以在公司网站上浏览。鉴于时间关系，主席告知他将不会在会议中读出股东们的问题及公司的回答。股东提问及公司的回答将附在本会议记录之后作为“附件 2”。

4. (RESOLUTION 1) TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019, TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT THEREON

(决议 1) 接受截至 2019 年 12 月 31 日财政年度的审计财务报表及董事声明和审计师报告

The Chairman presented the first item on the Agenda which was to receive and adopt the audited financial statements of the Company, the Directors' Statement and Independent Auditor's Report for the financial year ended 31 December 2019.

主席宣读第一项议程，接受截至 2019 年 12 月 31 日财政年度的审计财务报表及董事声明和审计师报告。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

“That the Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Directors' Statement and the Independent Auditor's Report thereon, be and are hereby received and adopted.”

“接受截至 2019 年 12 月 31 日财政年度的审计财务报表及董事声明和审计师报告。”

5. (RESOLUTION 2) DECLARATION OF A FINAL ONE-TIER TAX EXEMPT DIVIDEND OF 1 SINGAPORE CENT PER ORDINARY SHARE

(决议 2) 派发每股 S\$0.01 的免税年终股息

The second item of business was to approve the declaration of a final one-tier tax exempt dividend of 1 Singapore cent per ordinary share for the financial year ended 31 December 2019.

第二项为批准派发截至 2019 年 12 月 31 日财年的普通股每股 S\$0.01 的年终免税股息。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

“That the declaration of a final one-tier tax exempt dividend of 1 Singapore cent per ordinary share for the financial year ended 31 December 2019, be and are hereby approved.”

“批准派发截至 2019 年 12 月 31 日财年的普通股每股 S\$0.01 的免税年终股息。”

6. (RESOLUTION 3) RE-ELECTION OF MR LIU JING FU

(决议 3) 对刘经福先生的再次选举

The next item on the Agenda dealt with the re-election of Mr Liu Jing Fu as a Director of the Company. Mr Liu, who was retiring at the Meeting under Article 104 of the Company's Constitution, had offered himself for re-election.

下一项决议是关于再选举刘经福先生为公司董事。依据公司章程第 104 条在本次会议卸任的刘经福先生将被再次选举。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

"That Mr Liu Jing Fu who retires pursuant to Article 104 of the Constitution of the Company, and who, being eligible for re-election, be and is hereby re-elected as a Director of the Company. Mr Liu will, upon re-election, remain as the Executive Director and Chief Executive Officer of the Company."

“兹决议，依据公司章程第 104 条在本次会议卸任的刘经福先生，有资格被再次选举，在此重新选举为公司董事。在重新选举后，刘经福先生将继续任公司执行董事兼首席执行官。”

7. (RESOLUTION 4) RE-ELECTION OF MR XU JUN

(决议 4) 对徐均先生的再次选举

The next item on the Agenda dealt with the re-election of Mr Xu Jun as a Director of the Company. Mr Xu, who was retiring at the Meeting under Article 104 of the Company's Constitution, had offered himself for re-election.

下一项决议是关于再选举徐均先生为公司董事。依据公司章程第 104 条在本次会议卸任的徐均先生将被再次选举。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

"That Mr Xu Jun who retires pursuant to Article 104 of the Constitution of the Company, and who, being eligible for re-election, be and is hereby re-elected as a Director of the Company. Mr Xu will, upon re-election, remain as Executive Director of the Company."

“兹决议，依据公司章程第 104 条在本次会议卸任的徐均先生，有资格被再次选举，在此重新选举为公司董事。在重新选举后，徐均先生将继续任公司执行董事。”

The Chairman informed that Mr Tan Lye Heng Paul, who retires by rotation under Article 104 of the Company's Constitution, will not be seeking re-election as Director of the Company. Accordingly, Mr Tan Lye Heng Paul will step down as Independent Director and as a member of the Audit Committee immediately following the conclusion of the Meeting. 主席告知股东，根据公司章程第 104 条卸任的陈来兴先生，将不再寻求连任公司董事。相应地，在本次股东大会结束后，他将不再担任公司独立董事以及审计委员会成员。

8. (RESOLUTION 5) RE-ELECTION OF MR YAN TANG FENG
(决议 5) 对闫唐锋先生的再次选举

The next item on the Agenda dealt with the re-election of Mr Yan Tang Feng as a Director of the Company. Mr Yan, who was retiring at the Meeting under Article 114 of the Company's Constitution, had offered himself for re-election.

下一项决议是关于再选举闫唐锋先生为公司董事。依据公司章程第 114 条在本次会议卸任的闫唐锋先生将被再次选举。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

"That Mr Yan Tang Feng who retires pursuant to Article 114 of the Constitution of the Company, and who, being eligible for re-election, be and is hereby re-elected as a Director of the Company. Mr Yan will, upon re-election, remain as an Independent Director and a Member of the Audit Committee and the Remuneration Committee of the Company."

“兹决议，依据公司章程第 114 条在本次会议卸任的闫唐锋先生，有资格被再次选举，在此重新选举为公司董事。在重新选举后，闫唐锋先生将继续任公司独立董事以及审计委员会和薪酬委员会成员。”

9. (RESOLUTION 6) APPROVAL OF DIRECTORS' FEES
(决议 6) 批准董事费

The next item on the Agenda dealt with the approval of Directors' Fees. The Board of Directors had recommended the payment of Directors' Fees of S\$190,000 for the financial year ended 31 December 2019.

下一项决议是批准董事费。董事会建议向董事们支付截至 2019 年 12 月 31 日财政年的董事费 S\$190,000。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

"That the sum of S\$190,000 as Directors' fees for the financial year ended 31 December 2019, be and is hereby approved."

“兹决议，批准向董事们支付截止 2019 年 12 月 31 日财政年的董事费 S\$190,000。”

10. (RESOLUTION 7) RE-APPOINTMENT OF AUDITOR

(决议 7) 重新委任审计师

The next resolution dealt with the re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditor of the Company and the authority of the Directors to fix their remuneration. Messrs Nexia TS Public Accounting Corporation had expressed its willingness to seek re-appointment at the Meeting.

下一项决议是对公司审计师尼克夏会计师事务所的重新委任及董事对其薪酬的决定权。尼克夏会计师事务所已经表示愿意在本次会议被重新委任。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

"That Messrs Nexia TS Public Accounting Corporation be and is hereby re-appointed as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

“兹决议，重新委任尼克夏会计师事务所为公司审计师，任期至下一次股东大会，其薪酬由董事们决定。”

11. ANY OTHER ORDINARY BUSINESS

其他普通事项

As there were no further items of ordinary business arising, the Meeting proceeded to deal with the items of Special Business.

在本次会议上，公司没有收到有关其他一般事项，大会进行特别事项。

SPECIAL BUSINESS

特别事项

12. (RESOLUTION 8) ORDINARY RESOLUTION GIVING AUTHORITY TO ALLOT AND ISSUE SHARES

(决议 8) 授权分配及发行股份之普通决议

The Chairman briefly explained that the first item of Special Business on the Agenda was to seek members' approval to authorise and empower the Directors to issue shares up to 50% of the total number of issued shares (excluding treasury shares) of the Company. 主席解释说，特别事项中的第一项是寻求股东批准授权董事发行公司资本及 / 或证券中已发行股总数（不包括库存股份）的 50% 股份。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

“That the Ordinary Resolution as set out in Item 9 of the Notice convening this Meeting dated 15 April 2019 be approved.”

“通过 2020 年 5 月 5 日股东大会会议通知中的第 9 项普通决议。”

13. (RESOLUTION 9) RENEWAL OF SHARE PURCHASE MANDATE
(决议 9) 更新股份回购授权的普通决议

The Chairman briefly explained that the next item of Special Business on the Agenda was to seek members' approval to renew the Share Purchase Mandate.

主席简要说明特别事项中的下一项决议是寻求股东批准更新股份回购授权的普通决议。

The following resolution was duly proposed by the Chairman and seconded by Mr Koh Choon Kong:

以下议程由主席提议，许诚光先生支持：

“That the Ordinary Resolution as set out in Item 10 of the Notice convening this Meeting dated 5 May 2020 be approved.”

“通过 2020 年 5 月 5 日会议通知中的第 10 项普通决议”

14. RESULTS OF THE MEETING
会议结果

The results of the votes cast on each of the resolutions were based on the proxy forms that shareholders had submitted, and the votes had been cast in accordance with the wishes of shareholders and duly verified by the scrutineers. The polling results which were projected on the screen for shareholders to view were as follows:

每项决议的投票结果是根据股东们提交的委托代理表格统计，记名投票结果已由监票人核对。以下投票结果显示在屏幕上供股东浏览：

Resolution number 决议号码	Total number of shares represented by votes for and against the relevant resolution 对相关决议投赞成及反对票的股份总数	FOR 赞成		AGAINST 反对	
		Number of shares 股份数	Percentage % 百分比	Number of shares 股份数	Percentage % 百分比
1.	707,286,544	707,236,544	99.99%	50,000	0.01%
2.	708,678,344	708,628,344	99.99%	50,000	0.01%
3.	708,678,344	707,566,594	99.84%	1,111,750	0.16%
4.	708,678,344	707,395,694	99.82%	1,282,650	0.18%
5.	708,678,344	708,628,344	99.99%	50,000	0.01%
6.	708,412,944	708,362,944	99.99%	50,000	0.01%
7.	708,678,344	708,628,344	99.99%	50,000	0.01%
8.	708,678,344	671,208,324	94.71%	37,470,020	5.29%
9.	708,412,944	708,286,502	99.98%	126,442	0.02%

Accordingly, the Chairman declared that all the Resolutions put to vote at the Meeting were duly passed and carried.

因此，主席宣布本次大会的所有决议通过。

15. END OF MEETING

会议结束

There being no further business, the Meeting concluded and was declared closed at 10.22 a.m. with a vote of thanks to the Chairman.

无其他事项，会议于上午 10 点 22 分结束，致谢主席。

CONFIRMED BY:

确认人:

LIM HENG CHONG BENNY

林亨聪

CHAIRMAN OF THE MEETING

会议主席

THESE MINUTES ARE DRAFTED IN THE ENGLISH LANGUAGE, AND THE CHINESE TRANSLATION IS FOR REFERENCE ONLY. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE ENGLISH AND CHINESE VERSIONS, THE ENGLISH VERSION SHALL PREVAIL.

本会议记录以英文书写，中文翻译仅供参考。如中英文版本存在任何不一致内容，应以英文版本为准。

Appendix 1 附件 1

Chairman's Speech at the Annual General Meeting held on 27 May 2020.
2020 年 5 月 27 日股东大会董事长致词。

Dear Shareholders, Good Morning!
尊敬的各位股东：大家好！

Due to the impact of Covid-19, we have to meet through audio-visual conferencing this year. In 2019, although we were facing a severe and complicated situation, the Group managed to achieve a set of satisfactory results, through the collective efforts of everyone. In 2019, the Group's sales volume reached another record high. It produced and sold approximately 170,000 tons of rubber chemicals last year, an 11% increase as compared to the preceding year, and achieved its goal of production and sales equilibrium. The Group also maintained its leadership position in the rubber chemicals industry and increased its market share.

今年由于受到疫情的影响，我们以视频的方式跟大家见面。在已过去的 2019 年，面对严峻复杂的外部形势，我们公司在大家的共同努力下，仍然取得了不错的成绩，实现了产销量再创新高，充分发挥现有设备能力，实现了产销平衡，完成产量 17 万多吨，同比增长了 11%，在橡胶助剂行业保持了领先的地位，市场份额进一步增加。

As we entered 2020, the unexpected outbreak of COVID-19 has had a huge impact on the global economy, disrupting the business operations and normal lives and livelihood of people all over the world. Facing the global pandemic, the Group actively dealt with all the difficulties, and resumed our production. We have produced and sold approximately 60,000 tons of rubber chemicals for the period from January to May 2020, reaching 80% of our initial budget, achieved production and sales equilibrium, and continues to be profitable and ahead of our peers.

进入 2020 年，突如其来的新冠肺炎疫情，对全球经济带来了巨大冲击，扰乱了中国和世界各地的生产生活秩序，在严重的疫情面前，我们积极应对，克服重重困难，复工复产，开源节流，1-5 月份仍然完成 6 万多吨的产量，达到计划的 80%，实现了产销平衡，取得了一定的经济效益，走在同行业的前列。

Despite the Covid-19 pandemic, the Group will continue with its original plans to implement 3 expansion projects. These three projects will add a total of 80,000 tons per annum capacity to the Group's existing capacity, and our total capacity will reach approximately 260,000 tons. It will further strengthen the Group's market leadership position.

今年我们按照公司的计划，开展了三个项目的扩产。项目完成后，将增加 8 万吨的产能，助剂总产能将达到 26 万吨，从而进一步巩固公司在橡胶行业中的领先地位。

The international situation is volatile and economic development is fraught with difficulties. However, our balance sheet remains strong. Based on our advantages such as our strong financial position and market leadership position, our ability to provide high quality products, large-scale production, full product range of rubber chemicals, compliance with national environmental protection laws and regulations, we are confident that the Group will weather this economic downturn and emerge stronger. We must have greater awareness of the risks and follow our values. The Group will try its best to improve its sales, and take the necessary steps to focus on operational improvement, reduce raw material consumption, control cost, eliminate wastage, and strengthen cash flow management in order to achieve sustainable growth.

外部形势风云变幻，复杂严峻，经济发展困难重重，但我们公司资产负债表依然强劲，凭借已建立的资本和市场优势，规模、品种、质量、环保等优势，有信心度过难关。我们进一步提高风险意识，坚持底线思维，既抓开源，同时采取各种措施，全员、全方位、全过程抓好降低消耗，压缩费用，杜绝浪费，堵塞漏洞的节流方针，向管理要效益，实现可持续的发展。

The support of our shareholders is our driving force. I believe that with the trust and support of our shareholders, our Company will achieve long-term and sustainable growth and the value of our shareholders will be further improved!

股东们的支持是我们前进的动力。我相信在股东的信任和支持下，我们的企业将会实现长远的稳定的发展，股东的价值会进一步提高。

Thank you and stay healthy!

谢谢大家！祝大家身体健康、一切顺利！

Appendix 2 附件 2

Questions raised by shareholders at the Annual General Meeting held on 27 May 2020.
2020 年 5 月 27 日股东大会股东提问及公司回答。

A. Competition 竞争

1. *SGX's 10-in-10 article states that "stringent environmental protection regulations forced many players that did not meet requirements to shut down". Your 4Q19 results announcement states that some rubber chemical players may have increased production capacities. Have the players referred to in the announcement done so? Could the Company indicate the total net expansions compared against the 3 groups of rubber chemicals produced by the Group.*

新交所的文章 10-in-10 指出“严格的环保规定迫使很多达不到要求的公司倒闭”。贵公司 19 财年四季度的业绩公告指出，一些橡胶化工厂可能增加产能。公告中提到的这些工厂是否已经增加产能？公司能否告知这些工厂在尚舜集团生产的三大类橡胶助剂方面所扩大的总净产能。

Company's response 公司回答

As mentioned in our previous announcements, due to China's vigorous implementation of stringent environmental protection regulations and stricter environmental inspections since 2014, many manufacturers who failed to meet the requirements had to shut down productions. These manufacturers also tend to have smaller production capabilities.

如公司先前公告所述，由于中国自 2014 年起大力实行严格的环保规定及环保视察，很多达不到要求的厂家不得不停产。这些厂家一般会减少产能。

Between the end of 2017 and the first half of 2018, we have witnessed the sharp increase in the prices of rubber chemical products as a result of supply shortage. This has led to the rise of industry profits. Some of the larger producers who have the ability to maintain or improve their environmental protection capabilities, and who did not shut down, have been considering to expand their production capacity.

在 2017 年底至 2018 年上半年期间，由于供应短缺，橡胶化工产品的价格大幅上涨。这也导致行业利润增加。一些之前没有停产且有能力保持或提高环保水平的大厂已经在考虑扩大产能。

We are not able to give the specific total net production expansions, as these larger players have announced their expansion plans without providing much details, and these expansions also require time to implement.

我们无法提供具体的扩产的总净产能，因为这些大厂公告的扩产计划中未提供具体数字且这些扩产也需要时间实行。

2. *Kemai made its third attempt last June to list on the Shanghai Stock Exchange for RMB 1 billion for a new base. Sennics (圣奥), the world's largest 6PPD producer, plans to branch into rubber accelerators. Do they pose severe challenges to Sunsine?*

科迈去年六月第三次试图以 10 亿人民币的新基点在上海交易所上市。圣奥，世界最大的 6PPD 生产者计划进军橡胶助剂。他们对尚舜是否是构成巨大的威胁？

Company's response 公司回答

As of now, we are not aware of any updates regarding Tianjin Kemai's IPO application. Some smaller players in the industry may, during the current COVID-19 pandemic,

withdraw from the market gradually while the bigger players may have plans to further strengthen their market position through expansion of their production capacity. It is expected that the market will undergo consolidation amongst the larger players.

截至目前，我公司仍不清楚天津科迈上市申请的任何新进展。一些行业内的小厂可能在新冠疫情期间逐渐退出市场，而大厂可能计划通过扩大产能进一步巩固其市场地位。预计市场可能经历大厂间的合并。

3. *According to some media reports, some small and medium rubber chemical firms are facing financial difficulty in the wake of COVID-19 pandemic. How is the situation now? 据媒体报道，一些中小型橡胶化工公司在新冠疫情期间面临财务危机，目前情况如何？*

Company's response 公司回答

Without a doubt, COVID-19 will adversely affect almost all manufacturers in general. Small and medium-sized manufacturers with financial difficulties will be hit harder than the larger manufacturers, as larger manufacturers like China Sunsine are in better financial positions to weather the economic downturns.

新冠疫情无疑会给所有生产者带来负面影响。有财务困难的中小企业会比大企业受到更大的打击，因为像尚舜这样的大企业有更好的财务基础渡过经济衰退。

B. Demand and Supply, Average Selling Price (ASP), and Utilisation

供求、平均销售价及开工率

4. *GPM in 4Q19 dropped to 17.1% from 3Q19's 28.5% on lower ASP and dearer raw materials. As orders are received in advance and raw materials are bought beforehand, why was a reasonable margin unattainable? What is the situation now? Are Sunsine's products priced higher than rivals'?*

19 财年 4 季度毛利率较 19 年 3 季度的 28.5% 下降 17.1%，平均销售价格更低且原材料价格更高。订单是提前接到的，原材料是提前采购的，为何无法获得合理的利润？现在情况如何？尚舜的产品定价比竞争对手高吗？

Company's response 公司回答

Orders from major customers are received 3 months in advance, and these kinds of orders account for less than half of our total orders. Raw materials are purchased approximately 10 days before production, while our storage capacity of raw materials is about one week.

大客户的订单是提前三个月接到的，但这类订单占公司总订单的一半都不到。原材料是在生产前大约十天采购的，公司的原材料存储能力大约是一周。

The decline in gross profit margin in the fourth quarter was caused by an increase in the price of raw materials (from 3Q2019 to 4Q2019), and a lower ASP resulting from intense competition.

第四季度毛利率下降是由于原材料价格上升（从 2019 年 3 季度到 2019 年 4 季度）及激烈竞争导致更低的均价。

The current situation is that the price of our products is still under pressure, and gross profit margin remains relatively low. Generally, the selling prices of our products are about the same as the market price, with some products are selling at a slightly higher price.

目前的情况是公司产品的价格仍在压力之下，毛利率仍处在较低位置。总体而言，公司的产品价格跟市场价持平，有一些产品的价格稍高于市场价。

5. *Due to the huge drop in oil price, the price of aniline has dropped quite significantly and seems to be on a downward trend. Want to ask if Sunsine believes that this aniline price is sustainable or will there be a large wave of closures of aniline suppliers? Has Sunsine spoken to any aniline supplier to understand the market, and if management can share with us?*

由于石油价格暴跌，苯胺价格大幅下降且似乎仍有下降的趋势。尚舜是否认为苯胺这样的价格会持续，或者是否会有一大波苯胺供应商的倒闭？尚舜有没有与任何苯胺供应商了解过市场情况，是否可以与股东分享？

Company's response 公司回答

Recently, international crude oil prices have recovered slightly. As aniline is a derivative of benzene (which is ultimately derived from crude oil), its price is generally dependent on oil price, as well as the demand and supply dynamics of the product. The utilisation rate for China's aniline producers is still low. Our major supplier, Shandong Jinling's Dongying factory, operates at about 80% load. Shandong Jinling's Dawang factory continues to suspend its 60,000-ton aniline production. Tianji's 13,000-ton capacity is running at a low level.

近期，国际原油价格逐步恢复。由于苯胺是苯（最终来源于原油）的衍生物，苯胺的价格主要看油价及产品的供求变化。中国苯胺生产厂的开工率仍很低。公司的主要供应商，山东金陵东营工厂，只达到 80% 的开工率。山东金陵的大望工厂继续暂停其 60,000 吨苯胺的生产。天际的 13,000 吨产能在低位运转。

We believe that the price decrease of aniline will stabilise, and gradually pick up from here.

我们认为苯胺的价格跌幅会平稳，苯胺价格会逐渐从低位回升。

6. *Some automakers in China have indicated that their car sales in April 2020 have returned to 2019 levels. Since a large portion of Sunsine's sales is in China, can management share what the current utilization rate is?*

中国的一些汽车制造商指出他们 2020 年 4 月的汽车销量已经恢复到 2019 年的水平。尚舜很大一部分的销量在中国市场，管理层能否告知目前的开工率是多少。

Company's response 公司回答

In FY2019 and early 2020, we were operating at nearly full capacity. The current utilisation rate is at 70-80%.

2019 财年及 2020 年初，我们生产负荷率接近 100%。目前的开工率为 70%至 80%。

The COVID-19 outbreak has dramatically impacted the production of tire factories, creating a sharp drop in demand for rubber chemicals. Currently, many rubber chemical producers have different stock levels.

新冠疫情的爆发极大程度地影响了轮胎工厂的生产，导致对橡胶化工产品的需求骤降。目前，很多橡胶化工生产者有不同的库存量。

To our knowledge, due to the decline in demand, many of our competitors may have suffered production closure or running at low production capacity.

据我们所知，由于需求减少，我们很多竞争对手可能会停产或以低产能运行。

7. *How long have the facilities been shut down in the earlier part of the year due to COVID-19? When factories in China closed for extended periods after Chinese New Year, was Sunsine able to fill overseas orders with its 10,000-tonne finished goods as at end-2019 (vs 5,500 tonnes the year before)?*

受疫情影响，年初设备停运了多久？当中国的工厂在中国新年后推迟复工，尚舜截至 2019 年底的 10,000 吨成品（去年同期 5,500 吨）能否满足海外订单？

Company's response 公司回答

The Group has partially resumed its production since 11 February 2020 after the Chinese Government initially extended the Chinese New Year holiday to 2 February 2020, and later directed businesses not to resume work before 10 February 2020 at the earliest in order to contain the spread of COVID-19 in China. In 1Q2020, some foreign manufacturers added orders or required us to ship in advance. However, as many tire manufacturing plants outside China were shutting down due to the evolving situation of the COVID-19 pandemic around the world, our overseas orders have seen a decline.

中国政府起初将春节假期延长至 2020 年 2 月 2 日，后来要求企业最早在 2020 年 2 月 10 日前不得复工以控制疫情在中国传播，集团在 2020 年 2 月 11 日起部分复工。2020 年 1 季度，一些国外厂家增加订单或要求我们提前发货。然而，国外的很多轮胎厂由于国际新冠疫情升级而关闭，我们的国际订单也减少了。

8. *Would Sunsine be raising ASP to mitigate the effects of COVID-19? If the environment of low ASP persists, what are the management's plans moving forward?*
尚舜是否会提高均价来减少疫情的影响？如果均价持续走低，管理层接下来有什么计划？

Company's response 公司回答

The selling price is determined by many factors, such as the pricing trends of raw materials, especially the main raw material Aniline; the demand for our products; the competition we are facing etc. Currently the ASP is still hovering at low levels due to intense competition and low raw material prices. We will do our best to reduce various consumption/wastage, save costs and increase our production and operational efficiency. 销售价格由多个因素决定，如原材料价格的定价趋势，尤其是苯胺这一主要原材料；市场对我们产品的需求；我们面临的竞争等。目前由于激烈的竞争和较低的原材价格，平均销售价格持续在低位。我们会竭尽所能减少各种消耗/浪费、节约成本，增加生产和运营效率。

C. Research & Development (“R&D”)

研发

9. *China Sunsine's R&D Centre has secured 35 national patents. May I know if these patents are recognised under the financial statements? Do the patents provide exclusive rights to the Company, thereby providing tangible competitive advantage? Or do the patent contribute via licencing fees?*
中国尚舜的研发中心获得了 35 个国家专利。我想知道这些专利是否在财务报表中认列？这些专利是否给了公司独家权利，进而使公司拥有有形的竞争优势？或者这些专利是否带来授权费？

Company's response 公司回答

We do not recognize the patents as intangible assets as it is difficult to quantify their value. These patents are mainly improvements in production technology relating to rubber accelerators. They are seen in the quality of our products and reduction of wastage in the production process. We do not license our patents to third parties.

公司未将专利以无形资产认列在财报，因为很难量化它们的价值。这些专利主要是橡胶助剂相关的生产技术改进。它们体现在我们产品的质量 and 生产过程减少的损耗上。我们没有将专利授权给第三方。

10. *What has been the upshot of spending RMB 102m in 2018 and RMB 91m in 2019 on R&D? Are there instances of product quality improvement, product innovation and use of smart & IT technologies?*

2018 年在研发投入 1.2 亿人民币、2019 年 0.91 亿人民币的成果是什么？是否能举例产品质量改进、产品创新及智能及 IT 技术的应用？

Company's response 公司回答

Continuous production and automation are the main aspects of the Company's R&D expenditure. This includes the MBT continuous production project in collaboration with Tsinghua University, and the new TBBS automatic production line.

公司研发的主要开支用于连续生产和自动化。这包括与清华大学合作的 MBT 连续生产项目和新的 TBBS 自动化产线。

Furthermore, our R&D expenditure also goes into the improvement of clean production processes, and the upgrading and transformation of insoluble sulphur facility.

此外，我们的研发开支也用于改进清洁生产过程及不溶性硫磺设备的升级和转换。

11. *What is masterbatch referred to in pg 5 of 2017 AGM minutes? Has progress been made in growing this product?*

2017 年股东大会会议记录第五页提到的预分散体是什么？这个产品有什么进展吗？

Company's response 公司回答

Rubber masterbatch refers to a customised mixture of rubber with specific rubber chemicals (Accelerators, Anti-oxidants, etc) as required by certain rubber product producers. It is often more environmental-friendly as customers do not need to mix the compound themselves in their own factories (bearing in mind rubber accelerators and anti-oxidants are typically in powder or granular forms), especially if they do not use too big a volume themselves. At present, there is no significant progress in the masterbatch business, as we focus our sales and marketing to service our large scale tire-makers who prefer to mix and create their own rubber compound (therein lies their trade secrets) to produce their tires. We plan to include it in our next five-year plan (2021-2025).

橡胶预分散体是指根据特定橡胶产品生产商的要求定制的橡胶和特定橡胶化工品（促进剂、防老剂等）的混合物。一般更环保，因为客户不需要在自己的工厂再混合这些混合物（橡胶促进剂和防老剂一般是粉末状或颗粒状），尤其当客户自己用量不大的情况下。目前，预分散体业务没有显著进展，因为公司主要销售给大的轮胎生产商，他们偏向自己混合和制造自己的橡胶混合物（这里有他们的商业机密）来造轮胎。我们计划将预分散体纳入我们下一个五年计划（2021-2025）。

D. Cost-savings

节约成本

12. *The SGX's 10-in-10 article mentions automation as one of the cost-saving measures. What % of production lines are equipped with robotic arms? What are other labour-saving measures?*

新交所的文章 10-in-10 提到自动化作为节约成本的措施之一。有多少百分比的生产线有机器手臂？还有其他什么节约劳动力的措施？

Company's response 公司回答

Currently, our new expansion project consisting of the new 30,000-ton TBBS project, the 30,000-ton 6PPD project, the 10,000-ton IS project at Shanxian and the 10,000-ton TMQ

project, use automatic packaging lines, which improve the production efficiency, reduce labour intensity and improve environmental protection.

目前,我们新的扩产项目包括单县新的 30,000 吨 TBBS 项目,30,000 吨 6PPD 项目,10,000 吨不溶性硫磺项目以及 10,000 吨 TMQ 项目运用了自动包装线,提高了生产效率,减少劳动力密集性并改善环保。

Under the current economic uncertainty, the Company is implementing policies to further reduce expenditure by cutting down on all kinds of unnecessary consumption and expenses, eliminating waste, blocking all kinds of revenue leakage, diligently enhancing internal management, strengthening cash flow management and controlling cost.

在目前经济不确定形势下,公司实行政策通过缩减所有不必要的消耗和开销来进一步减少开支,杜绝浪费,防止所有形式的营业额流失,努力加强内部管理,加强现金流管理并控制成本。

All policies are geared towards forming a collective agreement with everyone in terms of cutting expenditure, reducing costs and improving efficiency.

所有的政策都是为了与每个人在减少开支、降低成本和提供效率方面达成统一意见。

E. New Projects Totaling RMB 480m

新项目总金额 4 亿 8 千万人民币

13. *With the ongoing COVID-19 situation, is there any impact on the production expansion plans? (I.e Expected completion delay with respect to what has been given in the Annual Report 2019, Pg 6: Capacity Expansion Plan)*

正在持续的新冠疫情对扩产计划是否有任何影响? (如 2019 财年年报第 6 页: 扩产计划中所列预计延迟完工)

Company's response 公司回答

Our expansion plan will be implemented according to our original schedule.

我们的扩产计划将按原计划进行。

14. *Advance to suppliers for raw materials and contractors (for projects for IS and TBBS) was RMB 122.5m as at end 2019, compared to RMB 49.6m the year before. How much of the capex for the IS and TBBS projects had already been paid and provided by end-2019?*

给原材料供应商和承包商 (IS 和 TBBS 项目) 的预付款截至 2019 年底为 1.225 亿人民币,相比 18 年的 4960 万人民币。截至 2019 年底, IS 和 TBBS 项目的资本支出已经付了多少?

Company's response 公司回答

As of end of 2019, the capital expenditure for these two projects was approximately RMB35 million.

截至 2019 年底, 该两个项目的资本支出约 3500 万人民币。

(a) TBBS (phase II -- 20,000 tonnes) TBBS (二阶段—20,000 吨)

15. *TBBS capacity will be 55,000 tonnes after the phase II expansion. Are the points in pg 8 and 9 of 2017 AGM minutes still valid?*

TBBS 产能在第二阶段扩产后将达 55,000 吨。2017 年股东大会会议记录第 8 和 9 页中的几点还有效吗?

".....the Group developed TBBS a few years ago to replace NOBS which was not as environmentally friendly. The Group has now become the largest producer of TBBS with

its product recognised by tyre makers and other downstream companies. An expansion would not pose much technological difficulty to the Group"

“尚舜几年前开始开发 TBBS 代替不环保的 NOBS。现在尚舜已经是最大的 TBBS 生产厂家，产品得到轮胎企业和其他下游企业的认可。对尚舜来说，扩大产能的技术难度不大。”

"...the Company holds 40% market share of the TBBS accelerator market. Even though there were many companies which also produce TBBS, the Company retains an competitive edge due to having better skills and financial resources."

“公司的 TBBS 市场份额达到 40%。尽管很多公司生产 TBBS，尚舜在技术和资金上都更有竞争优势。”

Company's response 公司回答

Yes, the above statements are still valid.

是，上述陈述仍有效。

16. *Given that phase II RMB 60m capex (for 20,000 tonnes) is much lower than phase I's RMB 100m (10,000 tonnes) and it may tap on some running costs already incurred for phase I, will phase II outdo phase I in unit production cost?*

考虑到第二阶段六千万资本支出（20,000 吨）比第一阶段的一亿（10,000 吨）低很多，且可能使用第一阶段已经产生的运行成本，第二阶段的单位生产成本是否会优于第一阶段？

Company's response 公司回答

Yes, the unit production cost for phase II will be lower than that in phase I.

是的，第二阶段的单位生产成本会低于第一阶段。

17. *Sunsine has indicated that production of TBBS under the phase I and phase II is automated. What are the advantages of this mode compared to "manual" one?*

尚舜表明第一阶段和第二阶段的 TBBS 生产是自动化的。这种模式相较“人工”生产有什么优势？

Company's response 公司回答

The advantages of this automation include increased production efficiency, increased product yield by 2%, and environmental protection benefits.

自动化的优势包括生产效率提高，产量增加 2% 及环保优势。

Nearly 40,000 tons of steam is saved annually (translating to cost savings of about RMB 7.6 million annually), work force is reduced by half as 100 fewer employees are required (contributing to cost savings of about RMB 10 million in salary and insurance annually), and new environmental benefits are achieved (namely, in the reduction of emission of waste gas, recycling of waste water and disposal of waste salt after necessary treatment). 每年节省约 40,000 吨蒸汽（转换为每年节约成本约 760 万人民币），人力减少了半数，只需不到 100 个员工（每年在工资和社保上节约一千万人民币成本）及实现新的环保优势（废气排放减少，废水回收及处置适当处理后的废盐）。

(b) Insoluble Sulphur ("IS") (phase I -- 30,000 tonnes)

不溶性硫磺 ("IS") (第一阶段—30,000 吨)

18. *With reference to the Analysis of Sales and Volume provided on Pg 10, I have noted that the ASP of Insoluble Sulphur is significantly lesser as compared to Accelerators and Anti-Oxidants. That said, what was the considerations to expand the production capacity of Insoluble Sulphur by 30,000 tons vs 20,000 tons for Accelerator? (or consider additional expansion of production capacity of Accelerator / Anti-Oxidants)*

参照第 10 页的销售和数量分析，我知悉不溶性硫磺的平均销售价格比促进剂和防老剂低很多。有鉴于此，不溶性硫磺产能扩大 30,000 吨而促进剂的产能扩大 20,000 吨的考量是什么？（或考虑额外扩大促进剂/防老剂的产能）

Company's response 公司回答

IS's selling price is lower than accelerators', but it enjoys a higher gross profit margin (GPM). For example, in FY2019, accelerators' GPM was about 28%, while IS's was about 35%. Another consideration is the market demand. China is still a net importer of IS. However, the import price is higher than domestic price. Thus, there is opportunity for growth to meet the market demand.

不溶性硫磺的销售价格比促进剂低但其毛利率却很高。例如，在 2019 财年，促进剂的毛利率为 28%而不溶性硫磺的毛利率为 35%。另一个考虑是市场需求。中国仍是不溶性硫磺的净进口国。然而，进口价格比国内价格高。因此，不溶性硫磺有增长机会来满足市场需求。

19. *In your budget for the new Phase I of 30,000-ton IS production capacity in the new Chemical Zone, is the budget for land (RMB39 million), buildings and infrastructure (RMB64.1million) for two phases?*

在贵公司在新化工园区的新的第一期 30,000 吨不溶性硫磺产能的预算中，土地（3,900 万人民币）、厂房和基础设施（6,410 万人民币）的预算是两期的预算吗？

Company's response 公司回答

The budgeted land cost of RMB39 million is for the 300 mu land reserved for the two phases of the IS project.

预算的 3,900 万人民币土地费是为两期的不溶性硫磺项目预留的 300 亩土地的费用。

20. *Will the buildings and infrastructure cater for subsequent projects at the remaining 380-mu land too?*

厂房和基础设施也是为在剩余 380 亩地上的后续项目服务的吗？

Company's response 公司回答

The budget for buildings and infrastructure covers only the IS project in the 300 mu of land, and not for the rest of the 380 mu.

厂房和基础设施的预算只包括占地 300 亩的不溶硫项目，不是为剩余 380 亩土地的。

21. *What was the breakdown of RMB 28.7m deposits for land?*

土地的 2,870 万人民币定金的明细是什么？

Company's response 公司回答

The payment of the deposit of RMB13.6 million is based on the Investment Agreement entered into with the Shanxian Government in March 2019 (RMB20,000 per mu for a total land area of 680 mu). Another approximately RMB15 million is the guarantee deposit for the land use rights of the entire 680 mu.

支付的 1,360 万人民币定金是基于 2019 年 3 月与单县政府签订的投资协议（共 680 亩地，每亩 20,000 人民币）。另外约 1,500 万人民币是整个 680 亩地的土地使用权的保证金。

The Company has completed all the procedures for applying for the first 95-mu's land use rights (with issuance of the land use rights certificate pending) and is now actively working with the local government to obtain the land use rights for another 200 mu of land.

公司已经完成了申请第一批 95 亩地的使用权的所有手续（尚未发放土地使用权证），目前正在积极与当地政府合作以获取另外 200 亩地的土地使用权。

22. *What caused IS'ASP to plunge to RMB 8,177 in 4Q19 from RMB 9,602 in 1Q19? 是什么导致不溶硫的平均销售价格从 19 年 1 季度的 9,602 人民币降到 19 年 4 季度的 8,177 人民币?*

Company's response 公司回答

There are two reasons: the decline of raw material prices and intensifying market competition. For example, between 1Q and 4Q last year, the price of a main raw material for IS, sulphur, decreased from RMB1,300/ton in 1Q2019 to RMB800/ton in 4Q2019; the price of another raw material, carbon disulfide, also dropped from RMB4,000/ton to RMB2,700/ton.

原因有两个：原材料价格下跌及市场竞争加剧。例如，去年 1 季度和 4 季度期间，不溶硫的主要原材料硫磺的价格从 19 年 1 季度的每吨 1,300 人民币降到 19 年 4 季度的每吨 800 人民币；另一种原材料二硫化碳的价格也从每吨 4,000 人民币降到每吨 2,700 人民币。

23. *Sunsine's 30,000-tonne IS capacity will double after phase I, and triple after phase II. Based a media report, global demand for IS will grow by a moderate 3.8% per year to between 2016 and 2021, implying an increase of around 10,000 tonnes between now and next year. Is Sunsine confident of grabbing market share from rivals? Will this be achieved by further price cut?*

尚舜的 30,000 吨不溶硫产能将在第一阶段后翻一翻，在第二阶段后产能为原来的三倍。根据媒体报道，全球的不溶硫需求在 2016 年至 2021 年期间每年缓慢增长 3.8%，说明从现在到明年，有 10,000 吨的涨幅。尚舜有信心从对手手中夺取市场份额吗？会通过进一步降价实现吗？

Company's response 公司回答

Our expansion is carried out in phases. The first phase of 30,000-ton IS capacity is scheduled to start operation next year, forming a total capacity of 60,000 tons. The second phase of expansion will depend on market conditions. The Company is confident that it can achieve the equilibrium between production and sales.

我们的扩产是分阶段进行的。第一阶段的 30,000 吨不溶硫产能计划明年开工，形成总产能 60,000 吨。第二阶段的扩产要根据市场情况。公司有信心实现产销平衡。

(c) TMQ (30,000 tonnes) TMQ(30,000 吨)

24. *Is the TMQ coming on stream next year different from the existing one, quality wise? 明年投产的 TMQ 在品质方面跟现有的有什么区别?*

Company's response 公司回答

The new TMQ project will introduce a continuous and new clean production process. This will help to improve quality and efficiency.

新的 TMQ 项目将引进连续及新的清洁生产工艺。这将提高质量和效率。

25. *Will adding 30,000 tonnes of TMQ to the existing 10,000 tonnes result in over supply since Tianjin Kemai, the world's biggest TMQ maker, already has a 50,000-tonne capacity.*

现有的 10,000 吨 TMQ 基础上增加 30,000 吨是否会导致供应过剩，因为世界上最大的 TMQ 生产者天津科迈已经有 50,000 吨产能了。

Company's response 公司回答

Market demand is dynamic. We will decide how much capacity is required according to the market situation. We are confident of expanding our sales volume.
市场需求是多变的。我们会根据市场情况决定增加多少产能。我们对扩大销量有信心。

26. *Pg 5 of 2017 AGM minutes reveals plans to grow TMQ and 6PPD. What were the considerations for opting for TMQ only?*
2017 年股东大会会议记录第 5 页披露了发展 TMQ 和 6PPD 的计划。选择只发展 TMQ 是基于什么样的考量？

Company's response 公司回答

Given the current situation, we have only embarked on the TMQ project, and the 6PPD project is still in feasibility study phases, which will most likely be included in our next five-year plan (2021-2025).

基于目前的形势，我们只开始 TMQ 项目，6PPD 项目仍在可行性研究阶段，很可能被纳入我们的下个五年计划（2021-2025）。

(d) Other Projects 其他项目

27. *Besides expanding production capacity, are there other plans in place to further improve the bottom line? Will it be practicable to expand beyond the tyre market to other rubber related products? (ie more diverse source of revenue besides automotive market / increase market share in other rubber related markets / increase market presence and revenue contribution from outside the PRC).*
除了扩大产能外，是否有其他计划进一步提高底线？从轮胎市场扩大到其他橡胶相关产品是否可行？（如除了机动车市场外更多样的营收来源/增加其他橡胶相关市场的市场份额/提高中国以外的市场的知名度并增加中国以外市场的营收）

Company's response 公司回答

Our rubber chemical products are used in all rubber products, not only in tire manufacturing. Naturally, the tire industry consumes a larger portion. Where there are opportunities, we would also want to sell more in the non-tire market segments. COVID-19 has adversely affected all industries. Weakened demand has caused the decrease in both prices and sales volume of our products. The Group has taken necessary measures to improve production process, strengthen cash flow management and control cost, and further improve production efficiency.

我们的橡胶化工产品运用在所有橡胶产品中，不只是轮胎制造。轮胎行业自然消耗了一大部分。如果有机会，我们也想在非轮胎市场提高销量。新冠疫情给所有的行业都带来了负面影响。需求减少导致我们产品的价格和销量都下降。集团已经采取必要措施改善生产过程、加强现金流管理和控制成本并进一步提高生产效率。

28. *Is Sunsine likely to have more capex in 2021 and 2022?*
尚舜在 2021 和 2022 年会增加资本支出吗？

Company's response 公司回答

This year, the Group will invest approximately RMB 400-500 million on the three projects. Currently we have not firmed up expansion plans for 2021 and 2022. The budget for capital expenditure in 2021 and 2022 has not been finalised but it is not expected to be higher than this year's capital expenditure.

今年，公司将在三个项目上投入约 4 到 5 亿人民币。目前我们尚未定下 2021 和 2022 年的扩产计划。2021 年和 2022 年的资本支出预算还没有最终确定但预计不会高于今年的资本支出。

F. Cash Level and Dividends

现金水平及股息

29. *The minutes of 2019 AGM states that "out of the total amount of approximately RMB 1,000 million cash, RMB 200 million is set aside as working capital, RMB 150 million will be used to pay for dividends, and RMB 200 million will be spent evenly on R&D and the replacement of existing equipment." As they are charged to P&L, why will cash level be reduced by R&D and equipment replacement? Will the Board share the cash level and promissory notes as at 31 March 2020, as well as how much of the RMB 480m capex budget of the three new projects had been paid and prepaid by the end of 1Q20?*

2019 年股东大会会议记录表明“10 亿人民币现金中 2 亿人民币作为营运资金，1.5 亿人民币将用来支付股息，2 亿人民币将平均花在研发和现有设备换新上。”研发和设备换新是归在损益表上的，为何它们会减少现金水平？董事会能分享一下截至 2020 年 3 月 31 日的现金水平和本票吗，以及截至 20 年 1 季度，三个项目的 4.8 亿人民币预算中的多少已经支付及预支？

Company's response 公司回答

As of 31 March 2020, the Group's cash and bank deposit was RMB1.35 billion, and the notes receivables were approximately RMB 200 million. As of end of March 2020, the Group has paid approximately RMB 53 million for the projects under construction (excluding land cost). It is noted that the estimated RMB 200 million (mentioned in the 2019 minutes) set aside for working capital exclude R&D spending, which is an operating cash outflow while replacement of existing equipment is an investing cash outflow, both of which utilise cash.

截至 2020 年 3 月 31 日，集团现金及银行存款为 13.5 亿人民币，应收票据约 2 亿人民币。截至 2020 年 3 月底，集团在在建工程已支付约 5,300 万人民币（不含土地费用）。预计作为营运资本的 2 亿人民币（2019 会议记录中提到的）不含研发支出。研发支出是经营性现金流出而现有设备换新是投资性现金流出，这两个都使用现金。

30. *We believe cash and promissory notes (RMB 1,280m and RMB 167m as at end-2019 respectively) will still be at healthy levels for future dividends to be way above the one cent declared for financial year 2019.*

我们相信未来股息远高于 2019 财年宣布的 1 新分对现金和本票（截至 2019 年底分别为 12.8 亿人民币及 1.67 亿人民币）仍然会是健康水平。

Company's response 公司回答

Yes. The Group will invest RMB 400 - 500 million in expansion projects this year. With the stringent environmental protection enforcement regulations and the current pandemic situation, enterprises worldwide are facing even greater challenges. The Board believes that it should exercise prudence and conserve our financial resources in the face of such uncertainties.

是的，集团将在今年的扩产项目中投入 4 到 5 亿人民币。鉴于严格的环保执行规定及目前的疫情，全球的企业都面临着更严峻的挑战。董事会相信公司在面临这样的不确定因素下应更加谨慎并保留我们的财力。

G. Guangshun

广舜

31. *Despite running way below full capacity in 2019, Guangshun turned in RMB 16m EBITDA and RMB 3m profit before tax. To what extent profitability will rise when more steam is produced for the three new projects?*

尽管 2019 年在低负荷率下运行，广舜税息折旧及摊销前利润达 1,600 万人民币，税前利润为 300 万人民币。当生产更多的蒸汽供给三个新项目时，利润增加的概率是多少？

Company's response 公司回答

After the new project is put into production, the steam demand for Guangshun will invariably increase. Therefore, the profitability of Guangshun should also increase.
新项目投产后，对广舜的蒸汽需求总会增加。因此，广舜的利润应该也会增加。

32. *In recent weeks, the oil price has dropped significantly. What is the impact on CSS in terms of their energy sale from their generators, electricity consumption for the factories?*
最近几周，石油价格大幅下跌。这对广舜的能源生产者的能源销售及工厂的电力消耗有什么影响？

Company's response 公司回答

Guangshun uses coal to generate electricity and steam. Coal prices have dropped slightly, but not by much. Therefore, there is no significant impact on energy sales and electricity consumption.

广舜用煤产电和蒸汽。煤价稍有下降但变化不大。因此，对能源销售和电力消耗没有显著影响。

H. Share Repurchase

股票回购

33. *The last buyback on 6 April was at 30.5 cents (0.59 time 52c book value), whereas the Company's position, as reported by SGX's 10-in-10 article dated 21 April, is that share buyback will continue as the share price then hovered around 0.7 time book value. What are the reasons for halting share buyback?*

最近一次回购是 4 月 4 日以 30.5 新分的价格（52 新分票面价值的 0.59 倍），而参照新交所 10-in-10 文章 4 月 21 日报道，公司表示会继续回购股票，因为当时股价停留在票面价值的 0.7 倍。公司停止回购股票的原因是什么？

Company's response 公司回答

The Company started the share buyback on 9 March 2020 and has been buying for nearly a month. When the stock price appears to have stabilised, the Company will wait and see. We will continue the share buyback programme at an appropriate time. The Share Buyback mandate will be renewed at the upcoming AGM.

公司从 2020 年 3 月 9 日开始回购股票，已经回购了将近一个月。当股价趋稳时，公司会拭目以待。我们将在适当时机继续回购。股票回购授权将在来临的股东大会更新。

I. Sunsine's leadership positions

尚舜的领先地位

34. *According to minutes of the EGM held in last Nov, Sunsine is:(i) the world's largest rubber chemical producer by revenue;(ii) the world's largest producer of rubber accelerators;(iii) China's largest and world's second largest producer of insoluble sulphur; and(iv) the world's third largest antioxidant producer. Will the relevant presentation slide, which only*

states leadership positions as world's top rubber accelerator producer and China's biggest insoluble sulphur, be updated?

根据去年 11 月的特别股东大会会议记录，尚舜 (i) 按营业收入是世界最大的橡胶化工生产商 (ii) 是世界最大的橡胶促进剂生产商 (iii) 是中国最大、世界第二大不溶硫生产商；及 (iv) 世界第三大防老剂生产商。相关的演示幻灯片只表明尚舜是世界领先橡胶促进剂生产商及中国最大不溶硫生产商，幻灯片会更新吗？

Company's response 公司回答

China Sunsine is the largest rubber accelerator producer globally, and China's biggest insoluble sulphur producer. As for the statement that we are the world's third largest anti-oxidants producer, which was mentioned by our Executive Director at the EGM, that statement is based on estimates of our Company.

尚舜是全球最大的橡胶促进剂生产商及中国最大的不溶硫生产商。至于执行董事在特别股东大会提到的公司是世界第三大防老剂生产商，这是我们公司的猜测。

J. Business Update

业务更新

35. *Will management consider providing interim business updates for operations information, even though there is no requirement for quarterly reporting?*

尽管公司不需要再作季度报告，管理层会考虑就运营信息提供中期业务更新吗？

Company's response 公司回答

Although the Company is no longer required to do quarterly reporting, it will provide timely updates as and when required on material developments relating to its business, operations and financial situation, in compliance with SGX requirements.

虽然公司不需要再作季度报告，但公司会根据新交所要求在必要的情况下就业务、运营和财务状况相关的重大发展作及时更新。