

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 AT MERCURY/ENTERPRISE ROOM, LEVEL 4, RAFFLES CITY CONVENTION CENTER, FAIRMONT SINGAPORE AND SWISSOTEL THE STAMFORD, 80 BRAS BASAH ROAD, SINGAPORE 189560 ON TUESDAY, 30 APRIL 2019 AT 10.00 A.M.

2019年4月30日，星期二，上午10点在新加坡莱佛士城会展中心4楼（邮编：189560）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 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 Tan Lye Heng Paul	Independent Director

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 Low See Lien	Audit Partner, Nexia TS Public Accounting Corporation
Mr Titus Kuan Tijan	Audit Partner, Nexia TS Public Accounting Corporation
Ms Jessie Ho	Share Registrar, Tricor Barbinder Share Registration Services
Ms Soh Shi Loo	Share Registrar, Tricor Barbinder Share Registration Services
Mr Wong Yik Hor	Scrutineer, Hawksford Singapore Pte. Ltd.
Ms Phyllis Zhang	Scrutineer, Hawksford Singapore Pte. Ltd.

Absent with Apologies 因故缺席

Mr Xu Cheng Qiu	Executive Chairman
Mr Liu Jing Fu	Executive Director and Chief Executive Officer
Mdm Xu Chun Hua	Independent Director, Chairman of Remuneration Committee

1. CHAIRMAN

大会主席

Mr Koh Choon Kong (“**Mr Koh**”), the 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 Koh (the “**Chairman**”) took the chair of the Meeting and extended a warm welcome to all present. The Meeting was declared open.

根据公司章程，委任公司的独立董事，许诚光先生 (“**许先生**”)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**”)。许先生 (“**主席**”)代表董事会欢迎所有出席者并宣布大会开始。

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 15 April 2019, having been previously circulated to the members, was taken as read.

2019 年 4 月 15 日的会议通知已提前发给所有与会成员，视为已被阅读。主席开始进行会议议程中的事项。

4. (RESOLUTION 1) TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018, TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT THEREON

(决议 1) 接受截至 2018 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 informed that the voting on all proposed resolutions at the Meeting will be conducted by poll after all the proposed resolutions at the Meeting have been duly proposed and seconded. 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 2018. With the consent of the members, the Agenda was taken as read.

主席告知，本次会议的所有拟议议程将在所有议程被妥当提议与支持后通过记名投票表决。主席汇报第一项议程，接受截至 2018 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。经股东们同意后，该议程被视作已读。

The Chairman invited questions from members on this item.

主席请股东们就该项提问。

Shareholder A referred to Page 56 of the Annual Report and pointed out that cash and cash equivalents of the Company amounted to RMB 1.038 billion as at 31 December 2018. While the Company does not have much cash, he requested the Chief Financial Officer of the Company, Mr Tong Yiping, to disclose the approximate amount of cash that is held by its China subsidiaries and a breakdown of the cash in those subsidiaries. 股东 A 参照年报第 56 页并指出，截至 2018 年 12 月 31 日，公司的现金及现金等价物达

10.38 亿人民币。公司持有的现金并不多，他要求公司首席财务官，童一平先生大致披露中国子公司持有的现金量及各子公司分别持有的现金。

Mr Tong Yiping replied that approximately RMB 1 billion cash is with the Company's main subsidiary, Shangdong Sunsine Chemical Co., Ltd.. All cash is deposited at the local big four state-owned commercial banks in China, namely, Industrial and Commercial Bank of China, Agriculture Bank of China, China Construction Bank and Bank of China.

童一平先生回答，公司的主要子公司，山东尚舜化工有限公司持有大约 10 亿人民币现金。所有现金都存储在中国当地的四大国有商业银行，即中国工商银行、中国农业银行、中国建设银行及中国银行。

Shareholder A then enquired auditors about the procedures that they have taken to ensure that the bank balances are there.

股东 A 询问审计师采取了何种措施确保银行存款切实存在。

The auditor, Mr Low See Lien replied that with regards to all the bank balances, they primarily audit the confirmations from the banks.

审计师 Low See Lien 先生回答，对于所有的银行存款，他们主要审计银行的询证函。

Mr Paul Tan added that this has been one of the main areas that the Board has been looking out for from the very beginning and have got multiple assurances on this. The auditors also went to the branches of the banks to confirm and verify the balances. Previously, the three independent directors have been to several of those big bank branches to look at the bank scripts. Shareholders can be assured that the money is there.

陈来兴先生补充说，存款确认问题是董事会一开始就关注的几主要领域之一，董事会对此再三确认。审计师也亲自去银行，确认并核对存款金额。三位独董之前也亲自到几间大银行的分行查阅银行脚本。股东们可以放心，现金存款切实存在。

Shareholder A further enquired about the kind of control in place on these bank accounts given the substantial bank balances, such as authority limits of the relevant party approving expenses, and the signing authorities on those bank accounts with large amount of balances.

股东 A 进一步询问，对于巨额的存款，在银行账户上公司有哪些管控，比如在授予相关方批准支出的权限方面及银行账户签字权方面。

Mr Tong Yiping replied that the Company has certain procedures for expense approval. Application for expenses need to be approved by the department, finance team, general manager and up to the Chairman depending on the amount. He said he is not in the position to disclose the authority limits at this Meeting. However, he informed that investments involving big amounts will be approved by the Board of Directors (the

“Board”).

童一平先生回答，公司在批准费用上有一定的程序。费用申请根据不同额度需要由部门、财务、总经理及主席层层批准。他说他不方便在股东大会上披露权限，但涉及大金额的投资都需董事会批准。

Shareholder B enquired whether the Company's production process of Insoluble Sulphur is a continuous or non-continuous one, to which Mr Xu Xian Lei replied that the Company adopts non-continuous production process.

股东 B 询问公司的不溶性硫磺的生产过程是连续性还是非连续性的，徐先雷先生回答，公司采用的是非连续性的生产。

Shareholder B further commented that research has indicated that continuous method is better in quality and costs less than the non-continuous method. He enquired why the Company does not adopt the continuous method.

股东 B 进一步表示，研究表明连续性生产在质量和成本上都优于非连续性生产。他询问公司为何不采用连续性生产。

Mr Xu Xian Lei replied that this is not the case. Without compromising the product quality, the phase by phase production process can mitigate the risk of explosion due to high temperature during continuous production. The Company is confident of its production process.

徐先雷先生回答，并非如此。在产品质量不打折扣的情况下，非连续性生产过程能减少连续性生产过程中产生的高温爆炸风险。公司对目前的生产工艺很有信心。

Shareholder B enquired why the Company discontinued producing anti-scorching products, and whether it is due to technological reasons, as he thinks that the market for anti-scorching products seems good with only few competitors.

股东 B 认为防焦剂有很好的市场，行业竞争对手少，他询问公司防焦剂停产的原因，是否是技术问题。

Mr Xu Xian Lei replied that the Company ceased production of anti-scorching products in 2005 because the raw materials are pollutive with bad smell, and the market demand for the product is quite low. The Company has put its focus on the production of rubber accelerators.

徐先雷先生回答，由于防焦剂的生产原料具有污染性且有异味，且防焦剂市场需求不大，公司在 2005 年停止生产防焦剂。公司把生产重点放在促进剂上。

Shareholder B then enquired whether the Company has invested in any financial products with its cash, to which Mr Tong Yiping replied in the negative.

股东 B 询问公司是否把现金投资在任何理财产品。童一平先生回答说没有。

Mr Koh added that the Board has discussed about cash management in the previous Board meetings. The Board is prudent and conservative. The management is hesitant to look at any of those wealth management products in the market. Therefore, the Company has placed most of the cash as fixed deposits with the big four local banks. However, should opportunities arise, the Company could also look at those capital protected structured products if there is such a good product.

许诚光先生补充说，董事会已经在之前的会议中讨论了现金管理问题。董事会持谨慎保守的态度。管理层对于投资市场上的任何理财产品还未决定。因此，公司将大多数现金放在四大银行作定存。然而，时机成熟之际，如果有好的保本结构性产品，公司也会考虑。

Shareholder B enquired about the Company's capital expenditure (Capex) for the next 2-3 years.

股东 B 询问公司接下来 2-3 年的资本支出。

Mr Tong Yiping replied 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. In addition, some new projects, such as phase 2 TBBS also needs money. As announced recently, the Company has signed an agreement to acquire another piece of land, which requires cash for further expansion.

童一平先生回答，总共大约 10 亿现金，其中 2 亿人民币公司将预留作为营运资本。1.5 亿人民币将用于支付股息。另外 2 亿将用于研发及旧设备换新，各需投入 1 亿人民币。此外，还有一些新的项目，如 TBBS 二阶段也需要钱。还有最近公告的，公司已签署协议收购另一块土地，所以需要现金为进一步扩大生产做准备。

Shareholder B commented that the Company's cash flow amounts to a minimum of RMB 400 million to 500 million per year. With such a great amount of cash, its return on equity (ROE) is much less which is a huge value destruction for all shareholders. He enquired why the Company is holding on to such huge amount of cash balance.

股东 B 认为，公司的现金流每年达到四、五亿人民币。持有如此多的现金导致其净资产收益率大幅降低，对股东来说是很大的价值损失。他询问公司为何要持有如此多的现金。

Mr Xu Xian Lei responded that the Company's cash balance increased only in the recent three years due to increase in profits. The next goal of the Company is to further expand capacity, upgrade technology and achieve continuous production of accelerators. Given more complex economic factors, China's business environment is very different from the international business environment, especially on the banking regulations. Policies may change suddenly. It is a risk if the Company relies on the domestic banks to provide loan. The Company would rather have its own cash for use when necessary than going through the hassle of getting a bank loan. They have seen cases of liquidity crunch suffered by many local enterprises in China. The Company does not want to be in this kind of situation and be at the mercy of the banks.

Management chooses to take a more prudent approach to reserve sufficient cash for its future expansion. Sufficient fund safeguards continuous operation.

徐先雷先生回答，公司现金增加是由于最近三年盈利的增加。公司下一步的目标是进一步扩大产能、更新技术并实现促进剂的连续性生产。由于更复杂的经济因素，中国的商业环境与国际商业环境有很大差别，尤其是银行金融环境。政策可能突然就变了。如果公司要依靠银行提供贷款会有一定的风险。公司宁可自己有现金在需要的时候用，而不是通过复杂的银行流程获取贷款。他们见过许多中国企业发生资金链断裂的情况，公司不希望发生这种情况并依赖银行。管理层采取更谨慎的做法，为公司今后的发展预留资金。充足的资金是持续经营的保障。

Mr Koh added that he noted that the management has received a lot of feedbacks from shareholders asking for higher dividend payout. However, the management and the controlling shareholders are managing the business for the next 10, 20 and 50 years, and their decision-making is for the long-term, different from that of individual investors. 许诚光先生补充说，尽管管理层从很多股东那里得到反馈，要求更多的分红，但管理层和控股股东是要管理公司至未来十年、二十年及五十年，他们的决策是长期的，与散户投资者不同。

Shareholder B reiterated that it is beneficial for all shareholders if the Company pays out more cash as dividend to increase ROE. The Company can go for fund raising when it needs cash and shareholders will be happy to participate in the rights issue or placement of shares.

股东 B 重申，如果公司支付更多的股息增加净资产收益率是对所有股东都有利的。公司需要现金的时候可以融资，股东们会很乐意参与权利股发行或配股。

Mr Xu Xian Lei responded that the management noted his point and will continue to discuss it with the Board.

徐先雷先生回应说管理层知悉并将继续与董事会讨论该事宜。

Shareholder C commented that it is good to be conservative in consideration of the Company's strategy, from what he can gather from the annual report. Directors' explanations also make sense. Having been an auditor out-stationed in China years ago, he agreed that it is good for a China company to be conservative with cash. He believed that risk management is more important than getting high ROE in China's context. He agreed with management and the Board's direction so far in terms of cash management, but he hopes that management could revisit the issue of capex expansion if the Company's cash keeps growing in future.

股东 C 认为，从年报上看，考虑到公司的战略，保守做法是好的。董事的解释也是有道理的。他几年前曾经在中国做审计，他同意中国公司在现金上保守一点是对的。他相信在中国的环境下风险管理比获得高净资产收益率更重要。他同意管理层及董事会目前在现金管理上的决策方向，但他希望公司的现金今后继续增加时，管理层能再次考虑资本支出扩张的问题。

Shareholder C referred to page 10 of the Annual Report and enquired whether the margin for international sales is better than that of the domestic sales, to which Mr Tong Yiping replied in the positive.

股东 C 参照年报第 10 页询问国际销售的利润率是否高于国内，童一平先生作肯定回答。

Shareholder C further commented that when it comes to accelerators, the Company is the largest in the world in terms of market share. In light of that, he enquired whether the Company will make efforts to increase international sales to get better margin. The United States has started trade war with China, and is going after Europe now, which are the Company's key markets. He enquired, from the risk management perspective, how big the impact would be on international sales and the margin, if the trade war escalates.

股东 C 进一步表示，关于促进剂，尚舜的市场份额是全球第一。有鉴于此，他询问公司是否会努力增加国际销售量，获得更高利润率。美国已发起与中国的贸易战且目前正在针对欧洲，美欧都是公司的主要市场。他询问从风险管理角度看，如果贸易战升温，对国际销售和利润率有多大的影响。

Mr Tong Yiping replied that the Company's direct sales to the US market accounts for only 2% of its total sales last year. In the first quarter of FY2019, demand from the European market increased quite a lot. The global demand for tire is increasing, which brings along more demand for accelerators.

童一平先生回答，去年公司对美国直销量只占其销售总量的 2%。2019 年第一季度，欧洲市场的需求量增加了不少。全球轮胎的需求量正在增加，也将为促进剂带来更多市场。

The Lead Independent Director, Mr Benny Lim, added that the reason why the Company does not sell more to the international markets considering the higher margin is that, from the management's perspective, the Company has domestic customers that have been with the Company for a long time. The Company has big customers in China, and they cannot stop doing business with them just because of the lower margin in China. It is good to know that in the event the domestic demand comes down for some reason, the Company always has that option of exporting to the overseas market. However, the Company will not turn away the domestic demand because some of its customers are big customers. Even though the margins from overseas markets are higher, the Company is exposed to certain risks such as foreign exchange and the shipping costs etc. These are the pluses and minuses that management has been able to balance.

首席独立董事林亨聪先生补充说，有关考虑到西方市场更高的利润率，公司为何不增加对该市场的销售量这个问题，从管理层的角度看，公司有很多长期合作的国内客户。公司不能因为较低的利润率就不与这些中国的大客户做生意。如果因某些原因国内需求减少，公司可以选择出口，这是好事，但这不会令公司放弃国内的需求，因为国内的一些客户是大

客户。出口的另一个问题是尽管利润率更高，公司将面临一些风险，如汇率，运费等。这些都是管理层经过权衡的利弊。

Mr Koh opined that the top 10 global tire manufacturers have over 100 tire companies and plants all over the world, but one of their major bases is in China. Therefore, it is not very relevant to draw a clear line between domestic and overseas sales, because the Company is confident to be able to sell its products. There is always a demand, then there is a matter of pricing. The big customers will buy less from the Company if it increases its prices as they do not buy from a single supplier. If domestic utilisation is down, the Company will sell to overseas markets and vice versa. At the end of the day, it is the total volume the Company sells that matters. Currently, the Company's global market share for accelerators is 20% and there is potential to grow that.

许诚光先生说，世界十大轮胎制造商在全球有上百家轮胎公司和工厂，但他们的主要基地之一是中国。因此，明确区分内销和外销没有太大意义，因为公司有信心能产销平衡。需求总是存在的，然后就是价格问题。如果公司提高价格，大客户就会买得少，因为他们不会只从一个供应商处购买。如果国内需求量减少，公司就出口，反之亦然。最终重要的还是公司的销售总量。目前，公司促进剂的全球市场份额是 20%，仍有增长的潜力。

Shareholder C further enquired how strong are the No. 2 and No. 3 competitors in the industry, and whether their capacity is at far distance or very close to the Company's.

股东 C 询问行业第二和第三大竞争者的实力，其产能与公司接近还是有较大的差距。

Mr Tong Yiping replied that for accelerators, the global top three producers are China companies, of which the Company is ranked No. 1 with a production capacity of 87,000 tons per annum, followed by Tianjin Kemai ranking No. 2 with a production capacity of 51,000 tons per annum and Yangguhuatai ranking No. 3 with a production capacity of 30,000 tons per annum based on last year's annual capacity.

童一平先生回答，对于促进剂，全球前三大公司是中国公司，去年公司的产能 87,000 吨，排名第一，天津科迈产能 51,000 吨，排名第二，阳谷华泰产能 30,000 吨，排名第三。

Shareholder C asked the auditors whether the audit firm auditing the Company's main China subsidiaries is an affiliate of the Singapore audit firm, and whether the Company's auditors do field review of the audit standards of their Chinese subsidiary and look at the work papers to check the quality of audit.

股东 C 询问审计师，中国主要子公司的审计公司是否是控股公司的审计公司的子公司，以及公司的审计师是否审阅其中国子公司的审计标准及质量。

The auditor, Mr Low See Lien, replied that the Singapore audit firm controls the Chinese audit firm directly. He confirmed that they were on site for 5 to 6 weeks in total.

审计师 Mr Low See Lien 回答，他们直接控制中国审计公司。他确认他们一共有五六周的时间在现场。

Shareholder A referred to page 81 of the annual report regarding notes on intangible assets, and enquired about the procedures to get those land use rights and the risks involved.

股东 A 参照年报第 81 页，有关无形资产的注释，询问获得土地使用权的流程及风险。

Mr Tong Yiping replied that in the past, the Chinese government encourages companies to build factories to contribute to GDP, but the land use rights will only be granted much later. Local government is assigned with certain quota each year for land use rights from the central government to be distributed to local companies. Notwithstanding the fact that the Group has not obtained the relevant legal title of the land use rights for some land parcels, there is no risk involved as the Group has obtained the right to use through contractual arrangement with the local government.

童一平先生解释说，过去中国政府鼓励企业建工厂以增加 GDP，但建工厂的土地的土地证在很久之后才会拿到。当地政府每年从中央政府分配到一定的土地证指标，再分发给当地公司。尽管集团的一些土地尚未获得相关土地证，但没有任何风险，因为集团已经通过与当地政府签署合同获得土地的使用权。

Shareholder A referred to page 36 of the annual report on Chairman's compensation, and commented that the remuneration of the CEO of the largest company in Singapore, DBS, in terms of market capitalisation with a revenue ranging from S\$11 to S\$12 billion and profits of S\$5.5 billion, amounted to an aggregate of S\$11.9 million. However, for the Company, with the revenue size of S\$650 million and profits of about S\$120 to S\$130 million, the compensation of its Chairman is S\$12 million. This is grossly and disproportionately high. Noting that the Board is currently discussing this compensation and the amount has not been finalised, he enquired how much out of the S\$12 million has been actually paid out as of today and he asked for clarification from the Board on such a large amount of compensation.

股东 A 参照年报第 36 页的主席薪酬说，新加坡最大的公司（从市值看），星展银行，年营业收入 110 至 120 亿新币，利润 55 万新币，其 CEO 的薪酬达 1,190 万新币。然而，公司的年营业额为 6.5 亿新币，利润 1.2 至 1.3 亿新币，主席的薪酬达 1,200 万新币，高得离谱。知悉董事会还在讨论该薪酬，还未最终确定，他询问截至今日，1,200 万新币中的多少已经支付并要求董事会解释如此高的薪酬。

Mr Koh replied that nothing has been paid out yet except for the base salary. The issue on bonus computation is still in discussion by the Board and has not been finalised at this point of time. The Board noted shareholder's view on it.

许诚光先生回答，除了基本工资以外，目前没有支付其他薪资。董事会仍在讨论奖金的计算事宜，目前尚未做定论。董事会知悉股东对此的意见。

Shareholder B opined that shareholders agree on reasonable range of remuneration amount, but S\$12 million is excessive. He asked the Board to link Chairman's compensation not only with the Company's performance but also with the dividend

payout and the market capitalisation. Mr Koh responded that the Board noted his point. 股东 B 认为，股东同意合理范围内的薪酬，但 1,200 万新币太高。他要求董事会将主席的薪酬不仅与公司业绩关联，也应与分红的支出及市值关联。董事会知悉。

Shareholder D enquired whether the Company has started to build new factory on the new piece of land, to which Mr Xu Xian Lei replied in the negative. Shareholder D further enquired when the Company will start building the new factory and how long it would take.

股东 D 询问公司是否已经开始在新的土地上建新的工厂，徐先雷先生做否定回答。股东 D 先生进一步询问公司何时开始建新工厂，需要多久。

Mr Koh replied that it depends on market demand. It will take approximately 7 to 8 years to develop the whole area, but a typical project with a 10 thousand or 30 thousand-ton capacity facility may take one to two years to build.

许诚光先生回答，要看市场需求。整个地区的开发大概需要七八年但建好一个产能 10,000 或 30,000 设备的项目可能需要一两年。

Shareholder B enquired whether the Company is aware of the expansion plans by the other major competitors.

股东 B 询问公司是否知道其他大的竞争对手的扩张计划。

Mr Xu Xian Lei replied that they are probably considering expansion as well. There are information on the internet, but may not be accurate. The Company does not know their exact expansion plans unless they go into production. There are also cases where facilities have been built up but no production has taken place.

徐先雷先生回答他们可能也在考虑扩张。网上有信息但不一定准确。如果没有投产，公司不清楚其他竞争者的确切的扩张计划。有的同行虽然已经建好了装置，但却并未投产。

Shareholder E pointed out that there is a total investment of RMB 2.5 billion, of which RMB 1.5 billion will be invested in property, plant and equipment. He enquired what kind of products the Company is going to produce and what is the Company's expansion plan for the next one year.

股东 E 指出，总投资 2,500 亿人民币，其中 1,500 亿人民币将投在固定资产上。他询问公司将生产什么产品以及公司明年的扩张计划。

Mr Xu Xian Lei replied that the piece of land the Company acquired from the government is reserved for our future expansion. In China, the environmental protection and safety requirements for chemical companies are getting more and more stringent, especially after the 21st March Yancheng explosion which led to the shutting down of thousands of chemical companies by the government of Shandong province and Jiangsu province, and relocation of all the chemical companies to chemical zones. Not many chemical zones are approved by Shandong government. Therefore, the Company

reserved the land for future expansion phase by phase. However, the detailed expansion plans have not been released, which will depend on technology and market demand.

徐先雷先生回答公司从政府收购的这块土地是为将来扩张预留的。中国对化工公司的环保和安全要求越来越严格，尤其是 3 月 21 日盐城爆炸后，导致山东省和江苏省政府关闭上千家化工企业，并要求所有化工企业迁到工业园区。山东省政府批准的化工园区不多。因此，公司预留这块地用于未来分阶段发展。然而，具体的扩张计划还未出台，要看技术及市场需求。

Shareholder F enquired about the Group structure, whether there is another holding company which controls the Singapore holding company, to which Mr Koh replied in the negative, and explained that the Company was incorporated in Singapore and is listed on the SGX.

股东 F 询问集团架构，新加坡控股公司之上是否还有另一个控股公司。许诚光先生作否定回答，并解释说公司在新加坡成立并且在新交所上市。

Shareholder G referred to page 79 of the Annual Report, on the last paragraph of note 14 and asked for clarification.

股东 G 参照年报第 79 页注释 14 最后一段，要求管理层解释。

Mr Tong Yiping and Mr Koh Choon Kong explained that the amount of RMB 989,640,000 are cash and short-term deposits of the Company. China is under foreign exchange control, and all companies in China are subject to foreign exchange control regulations for any payment overseas in accordance with the laws of China. The Company has to have valid reason for remitting money overseas.

童一平先生和许诚光先生回答，989,640,000 金额是公司的现金及短期存款。根据中国法律，所有中国公司的任何海外汇款都受外汇管制。公司汇款出境都要有合理的理由。公司需要合理的理由才可以将资金汇到国外。

There being no further questions from the members present, the following resolution was put to the Meeting:

股东无其他问题，以下决议在大会宣读：

“That the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Directors’ Statement and the Independent Auditor’s Report thereon, be and are hereby received and adopted.”

“接受截至 2018 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 resolution was proposed by Mr Lee Giak Ling and seconded by Mr Cao Yong Gang. 该决议由 Lee Giak Ling 先生提议，由 Cao Yong Gang 先生支持。

5. (RESOLUTION 2) DECLARATION OF A FINAL ONE-TIER TAX EXEMPT DIVIDEND OF 5.5 SINGAPORE CENTS PER ORDINARY SHARE
(决议 2) 派发每股 S\$0.055 的免税年终股息

The second item of business is to approve the declaration of a final one-tier tax exempt dividend of 5.5 Singapore cents per ordinary share for the financial year ended 31 December 2018.

第二项为批准派发截至 2018 年 12 月 31 日财年的普通股每股 S\$0.055 的年终免税股息。

Shareholder A pointed out that though the average selling price is currently on the lower end of the scale, the demand is still strong. The minimum cash flow from operation that the Company can generate without making any significant investment is roughly RMB 500 million per year. It is estimated the biggest cash outflow in the Company is in the acquisition of the new land and building of facility there. He anticipated that in the long run, given the size of the facility and technology available, the Company will probably double or more than double the capacity that it has today. When he looks at the market demand which is probably growing at the range of one single digit, he believes that it will take a minimum of five years to at least double the capacity. If it is the case, the Company has RMB 1 billion as at 31 December 2018, and will have RMB 500 million per year for the next 5 years. In the worst case scenario, it will have RMB 3.5 billion in the next 5 years. It seems that the Company will have excessive cash. He requested management to comment on this. He also enquired about dividend policy going forward.

股东 A 指出，尽管目前销售均价处于低位，但需求仍然强劲。公司营运能产生的最少现金流，在不进行大的投资的情况下，大约是每年 5 亿人民币。他预计公司最大的现金支出是用于收购新土地并在上面建设备。他预计长期来看，考虑到设备的大小及现有技术，公司产能可能翻倍甚至更多。他看到市场需求可能以一位数增长，相信公司至少需要五年才能使产能翻倍。如果是这样，公司目前持有 10 亿人民币，接下来每年有 5 亿人民币，最坏的情况是 5 年后持有 35 亿人民币。这样看来公司持有的现金过多。他要求管理层对此表态。他也询问公司未来的分红政策。

Mr Tong Yiping replied that he has already elaborated on how the cash will be spent and management noted his point and will consider. With regard to dividend policy going forward, Mr Tong Yiping replied that Board will discuss the dividend policy in the Board meetings and they will make an announcement via SGXNET once it is finalised.

童一平先生回答，他已经详细解释过将如何使用现金但管理层知悉他的观点并会考虑。关于未来的股息政策，童一平先生回答说，股息政策将在董事会上讨论，一旦确定就会在新交所网站发布公告。

Shareholder A opined that the Company is doing a phenomenally good job on investor relations, and shareholders are glad to have quarterly updates on the Company. He enquired why the Board is so shy to have a dividend policy, even a conservative one to

start from. Not having a dividend policy sounds like zero dividend probably to shareholders.

股东 A 认为,公司在投资者关系方面做得很好,股东们也很高兴能了解公司每季度的业绩。然而,他询问董事会为何迟迟不提出分红政策,哪怕是保守的分红政策。没有分红政策对股东来说可能是没有分红。

Mr Koh replied that he shares his sentiment as a small shareholder in the Company himself, and the Board realised the need to have dividend payout for minority shareholders. Dividend policy is something the Board discusses at every Board meeting. However, the Company has got bigger plans which are not crystalised yet, so it is not clear as to how much cash is required for those plans. It always feels good to have funds in the bank account and not to rely on banks for loans. The Board has not come to a conclusion yet on the dividend policy at this point of time. It would not be finalised before the second quarter FY2019 results are out.

许诚光先生回答,他自己作为一个小股东理解这位股东的心情,董事会也意识到需要给小股东分红。分红政策是董事会在每个董事会会议上讨论的事项。然而,公司有更大的扩张计划,且尚未确定,所以公司不清楚需要多少资金。在银行账户里持有足够的资金,不依赖银行贷款感觉会更好。董事会此刻尚未确定一个分红政策。2019 财年第二季度业绩出来前都无法确定。

Shareholder A enquired how could the Company pay the proposed dividend of approximately S\$27 million while the holding company has only got RMB 49 million of cash. Mr Tong Yiping replied that its China subsidiary will pay dividend to the holding company, so that the Company can pay the proposed dividend to shareholders.

股东 A 询问公司只有 4,900 万人民币,如何支付拟议的约 2,700 万新币的股息。童一平先生回答,中国子公司会支付股息给控股公司,以便公司支付股息给股东。

Mr Seah Kok Beng proposed the following resolution:

Seah Kok Beng 先生提议以下决议:

“That the declaration of a final one-tier tax exempt dividend of 5.5 Singapore cents per ordinary share for the financial year ended 31 December 2018, be and are hereby approved.”

“批准派发截至 2018 年 12 月 31 日财年的普通股每股 S\$0.055 的免税年终股息。”

Mr Lee Mun Yew seconded the resolution.

Lee Mun Yew 先生支持该决议。

6. (RESOLUTION 3) RE-ELECTION OF MR XU CHENG QIU

(决议 3) 对徐承秋先生的再次选举

The next item on the Agenda deals with the re-election of Mr Xu Cheng Qiu as a Director of the Company. Mr Xu, who is retiring at this Meeting under Article 104 of the Company's Constitution, has offered himself for re-election.

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

Mr Vishal Gala proposed the following resolution:

Vishal Gala 先生提议以下决议:

"That Mr Xu Cheng Qiu 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 the Executive Chairman of the Company."

“兹决议，依据公司章程第 104 条在本次会议卸任的徐承秋先生，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，徐承秋先生将继续任公司执行主席。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生支持该决议。

7. (RESOLUTION 4) RE-ELECTION OF MR LIM HENG CHONG BENNY

(决议 4) 对林亨聪先生的再次选举

The next item on the Agenda deals with the re-election of Mr Lim Heng Chong Benny as a Director of the Company. Mr Lim, who is retiring at this Meeting under Article 104 of the Company's Constitution, has offered himself for re-election.

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

Mr Lee Giak Ling proposed the following resolution:

Lee Giak Ling 先生提议以下决议:

"That Mr Lim Heng Chong Benny 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 Lim will, upon re-election, remain as Lead Independent Director of the Company, Chairman of Nominating Committee and member of the Audit Committee and Remuneration Committee."

“兹决议，依据公司章程第 104 条在本次会议卸任的林亨聪先生，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，林亨聪先生将继续任公司首席独立董事及提名委

员会主席，审计委员会及薪酬委员会成员。”

Mr Vishal Gala seconded the resolution.

Vishal Gala 先生支持该决议。

8. (RESOLUTION 5) RE-ELECTION OF MDM XU CHUN HUA
(决议 5) 对许春华女士的再次选举

The next item on the Agenda deals with the re-election of Mdm Xu Chun Hua as a Director of the Company. Mdm Xu, who is retiring at this Meeting under Article 104 of the Company's Constitution, has offered herself for re-election.

下一项决议是关于再选举许春华女士为公司董事。依据公司章程第 104 条在本次会议卸任的许春华女士将被再次选举。

Mr Vishal Gala proposed the following resolution:

Vishal Gala 先生提议以下决议：

"That Mdm Xu Chun Hua 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. Mdm Xu will, upon re-election, remain as an Independent Director of the Company, and Chairman of Remuneration Committee, and member of the Audit Committee and Nominating Committee."

“兹决议，依据公司章程第 104 条在本次会议卸任的许春华女士，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，许春华女士将继续任公司独立董事及薪酬委员会主席，审计委员会及提名委员会成员。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生支持该决议。

9. (RESOLUTION 6) RE-ELECTION OF MR XU XIAN LEI
(决议 6) 对徐先雷先生的再次选举

The next item on the Agenda deals with the re-election of Mr Xu Xian Lei as a Director of the Company. Mr Xu, who is retiring at this Meeting under Article 114 of the Company's Constitution, has offered himself for re-election.

下一项决议是关于再选举徐先雷先生为公司董事。依据公司章程第 114 条在本次会议卸任的徐先雷先生将被再次选举。

Mr Vishal Gala proposed the following resolution:

Vishal Gala 先生提议以下决议：

"That Mr Xu Xian Lei 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 Xu will, upon re-election, remain as an Executive Director of the Company."

“兹决议，依据公司章程第 114 条在本次会议卸任的徐先雷先生，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，徐先雷先生将继续任公司执行董事。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生支持该决议。

10. (RESOLUTION 7) APPROVAL OF DIRECTORS' FEES

(决议 7) 批准董事费

The next item on the Agenda deals with the approval of Directors' Fees. The Board of Directors has recommended the payment of Directors' Fees of S\$180,000 for the financial year ended 31 December 2018.

下一项决议是批准董事费。董事会建议向董事们支付截至 2018 年 12 月 31 日财政年的董事费 S\$180,000。

Mr Vishal Gala proposed the following resolution:

Vishal Gala 先生提议该决议。

"That the sum of S\$180,000 as Directors' fees for the financial year ended 31 December 2018, be and is hereby approved."

“兹决议，批准向董事们支付截止 2018 年 12 月 31 日财政年的董事费 S\$180,000。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生支持该决议。

11. (RESOLUTION 8) RE-APPOINTMENT OF AUDITOR

(决议 8) 重新委任审计师

The next resolution deals 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 has expressed its willingness to seek re-appointment at this 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。

Mr Vishal Gala proposed the following resolution:

Vishal Gala 先生提议以下决议：

"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。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生提议该决议。

12. 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

13. (RESOLUTION 9) ORDINARY RESOLUTION GIVING AUTHORITY TO ALLOT AND ISSUE SHARES

(决议 9) 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，该项为特别事项，就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% 股份寻求股东批准。

With the consent of the members, the proposed resolution as stated in the Notice of Meeting was taken as read.

在股东同意下，将会议通知中拟议的决议视为已读。

Shareholder A opined that since there is enough cash in the Company, it should continue to engage the bankers so that shareholders would not have dilutive rights issues for the next one year. Mr Koh responded that his understanding is correct.

股东 A 认为，既然公司有足够的现金，应当继续与银行从业者多联系，这样股东明年的供股就不会被稀释。许诚光先生回应说他的理解是正确的。

Mr Seah Kok Beng proposed the following resolution:

Seah Kok Beng 先生提议该决议。

“That the Ordinary Resolution as set out in Item 10 of the Notice convening this Meeting dated 15 April 2019 be approved.”

“通过 2019 年 4 月 15 日股东大会会议通知中的第 10 项普通决议。”

Mr Cao Yong Gang seconded the resolution.

Cao Yong Gang 先生支持该决议。

14. (RESOLUTION 10) RENEWAL OF SHARE PURCHASE MANDATE

(决议 10) 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. With the consent of the members, the proposed resolution as stated in the Notice of Meeting was taken as read.

该特别事项是更新股份回购授权的普通决议。股东同意，将会议通知中拟议的决议视为已读。

Shareholder B pointed out that should the company not pay dividend, it should buy back shares to add value to all shareholders. The Board noted.

股东 B 指出，如果公司不分红，公司应回购股份以增加所有股东的价值。董事会知悉。

Shareholder C agreed that share buyback can boost the ROE and address partly shareholders' concern of getting a return.

股东 C 同意股份回购能增加净资产收益率并一定程度解决股东对收益的担忧。

Mr Cao Yong Gang proposed the following resolution:

Cao Yong Gang 先生提议该决议。

“That the Ordinary Resolution as set out in Item 11 of the Notice convening this Meeting dated 15 April 2019 be approved.”

“通过 2019 年 4 月 15 日会议通知中的第 11 项普通决议”

Mr Vishal Gala seconded the resolution.

Vishal Gala 先生支持该决议。

The Meeting was adjourned at 11.28 a.m. pending the results of the votes cast on the resolutions.

会议在 11 点 28 分暂停，等待决议投票结果。

The Meeting resumed at 11.48 a.m. for the results of the votes cast on the resolutions.
 会议在 11 点 48 分继续，宣布决议投票结果。

15. RESULTS OF THE MEETING
会议结果

The Polling Results was handed over to the Chairman after being duly verified by the scrutineer, Hawksford Singapore Pte. Ltd. The Chairman announced the polling results as follows:

记名投票结果由监票人，Hawksford Singapore Pte. Ltd.，核对后交给主席。主席宣布投票结果如下：

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.	383,855,927	382,782,727	99.72%	1,073,200	0.28%
2.	383,855,927	383,852,927	99.99%	3,000	0.01%
3.	383,848,927	383,182,227	99.83%	666,700	0.17%
4.	383,755,927	383,207,927	99.86%	548,000	0.14%
5.	383,855,927	383,359,527	99.87%	496,400	0.13%
6.	383,855,927	383,006,927	99.78%	849,000	0.22%
7.	383,855,927	383,720,227	99.96%	135,700	0.04%
8.	383,855,927	383,092,427	99.80%	763,500	0.20%
9.	383,855,927	355,699,897	92.66%	28,156,030	7.34%
10.	383,824,327	359,712,397	93.72%	24,111,930	6.28%

Mr Benny Lim, who holds 100,000 ordinary shares in the Company, has voluntarily abstained from voting on Resolution 4 on his re-election as director.

林亨聪先生，持有公司 100,000 普通股，自愿对第 4 项决议有关重新选举其为董事的决议弃权。

16. END OF MEETING

会议结束

There being no further business, the Meeting ended at 11.55 a.m. with a vote of thanks to the Chairman.

无其他事项，会议于上午 11 点 55 分结束，致谢主席。

CONFIRMED BY:

确认人：

KOH CHOON KONG

许诚光

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。