



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	986 665 943
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	SINOMINE SPECIALTY FLUIDS LIMITED NUF
Forretningsadresse:	Tranesvegen 29 5347 ÅGOTNES

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Christian Busengdal
Dato for fastsettelse av årsregnskapet:	25.06.2025

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 26.05.2026



## Resultatregnskap

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		25 090 000	31 918 000
<b>Sum inntekter</b>		<b>25 090 000</b>	<b>31 918 000</b>
<b>Kostnader</b>			
Raw materials and consumables used		6 569 000	7 871 000
Payroll and related costs		1 963 000	1 981 000
Depreciation		231 000	227 000
Other operating expenses		3 049 000	6 043 000
<b>Sum kostnader</b>		<b>11 812 000</b>	<b>16 122 000</b>
<b>Driftsresultat</b>		<b>13 278 000</b>	<b>15 796 000</b>
<b>Finansinntekter og finanskostnader</b>			
Other financial income		372 000	2 119 000
<b>Sum finansinntekter</b>		<b>372 000</b>	<b>2 119 000</b>
Other financial expenses		272 000	510 000
<b>Sum finanskostnader</b>		<b>272 000</b>	<b>510 000</b>
<b>Netto finans</b>		<b>100 000</b>	<b>1 609 000</b>
<b>Resultat før skattekostnad</b>		<b>13 378 000</b>	<b>17 405 000</b>
Income tax		1 455 000	1 670 000
<b>Årsresultat</b>		<b>11 923 000</b>	<b>15 735 000</b>
<b>Overføringer og disponeringer</b>			
Profit to Equity		11 923 000	15 735 000
<b>Sum overføringer og disponeringer</b>		<b>11 923 000</b>	<b>15 735 000</b>



## Balanse

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel		80 000	8 000
<b>Sum immaterielle eiendeler</b>		<b>80 000</b>	<b>8 000</b>
<b>Varige driftsmidler</b>			
Land, buildings and other property		27 000	12 000
Plant and machinery		366 000	553 000
Fixtures and fittings		3 000	13 000
<b>Sum varige driftsmidler</b>		<b>396 000</b>	<b>578 000</b>
<b>Sum anleggsmidler</b>		<b>476 000</b>	<b>586 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories		28 000	7 000
<b>Sum varer</b>		<b>28 000</b>	<b>7 000</b>
<b>Fordringer</b>			
Accounts receivable		7 399 000	758 000
Other receivables		206 000	536 000
Konsernfordringer			65 355 000
<b>Sum fordringer</b>		<b>7 605 000</b>	<b>66 649 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		51 000	0
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>51 000</b>	<b>0</b>
<b>Sum omløpsmidler</b>		<b>7 684 000</b>	<b>66 656 000</b>
<b>SUM EIENDELER</b>		<b>8 160 000</b>	<b>67 242 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: USD	Note	2023	2022
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Annen innskutt egenkapital		-94 334 000	-24 172 000
<b>Sum innskutt egenkapital</b>		<b>-94 334 000</b>	<b>-24 172 000</b>
<b>Opptjent egenkapital</b>			
Earnings		100 241 000	88 317 000
<b>Sum opptjent egenkapital</b>		<b>100 241 000</b>	<b>88 317 000</b>
<b>Sum egenkapital</b>		<b>5 907 000</b>	<b>64 145 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		155 000	290 000
Current income taxes payable		1 329 000	1 658 000
Other current liabilities		769 000	1 149 000
<b>Sum kortsiktig gjeld</b>		<b>2 253 000</b>	<b>3 097 000</b>
<b>Sum gjeld</b>		<b>2 253 000</b>	<b>3 097 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>8 160 000</b>	<b>67 242 000</b>



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2025 759908

**Enheten**

Organisasjonsnummer: 986 665 943  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: SINOMINE SPECIALTY FLUIDS LIMITED  
NUF  
Forretningsadresse: Tranesvegen 29  
5347 ÅGOTNES

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**Konsern**

Morselskap i konsern: Nei

**Regnskapsregler**

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: Christian Busengdal  
Dato for fastsettelse av årsregnskapet: 25.06.2025

**Grunnlag for avgivelse**

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Brønnøysundregistrene, 14.10.2025



Organisasjonsnr: 986 665 943  
SINOMINE SPECIALTY FLUIDS LIMITED  
NUF

## RESULTATREGNSKAP

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		25 090 000	31 918 000
<b>Sum inntekter</b>		<b>25 090 000</b>	<b>31 918 000</b>
<b>Kostnader</b>			
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Organisasjonsnr: 986 665 943  
SINOMINE SPECIALTY FLUIDS LIMITED  
NUF

## BALANSE

Beløp i: USD Note 2023 2022

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Utsatt skattefordel	80 000	8 000
<b>Sum immaterielle eiendeler</b>	<b>80 000</b>	<b>8 000</b>

##### Varige driftsmidler

Land, buildings and other property	27 000	12 000
Plant and machinery	366 000	553 000
Fixtures and fittings	3 000	13 000
<b>Sum varige driftsmidler</b>	<b>396 000</b>	<b>578 000</b>

<b>Sum anleggsmidler</b>	<b>476 000</b>	<b>586 000</b>
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#### Omløpsmidler

##### Varer

Inventories	28 000	7 000
<b>Sum varer</b>	<b>28 000</b>	<b>7 000</b>

##### Fordringer

Accounts receivable	7 399 000	758 000
Other receivables	206 000	536 000
Konsernfordringer		65 355 000
<b>Sum fordringer</b>	<b>7 605 000</b>	<b>66 649 000</b>

##### Bankinnskudd, kontanter og lignende

Cash and cash equivalents	51 000	0
<b>Sum bankinnskudd, kontanter og lignende</b>	<b>51 000</b>	<b>0</b>

<b>Sum omløpsmidler</b>	<b>7 684 000</b>	<b>66 656 000</b>
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<b>SUM EIENDELER</b>	<b>8 160 000</b>	<b>67 242 000</b>
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### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

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<b>Sum innskutt egenkapital</b>	<b>-94 334 000</b>	<b>-24 172 000</b>

##### Opptjent egenkapital

Earnings	100 241 000	88 317 000
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<b>Kortsiktig gjeld</b>		
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<b>SUM EGENKAPITAL OG GJELD</b>	<b>8 160 000</b>	<b>67 242 000</b>



Organisasjonsnr: 986 665 943  
SINOMINE SPECIALTY FLUIDS LIMITED  
NUF

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1, 2

Regnskapsprinsipper  
see attachment uploaded

Note

Er det usikkerhet om fortsatt drift?: Nei

Note  
3

Antall årsverk i regnskapsåret  
11.00

Note  
3

Spesifisering av resultatregnskapet

Lønnskostnader

Mer om årsverk og lønn  
see uploaded attachment

Sum Beløp

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Note  
5

Varige driftsmidler og immaterielle eiendeler

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

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Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp



Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler  
see note 5 in the uploaded attachment

**Konsernregnskap**

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Nei

Morselskapet sitt navn

Forretningskontor for morselskapet

Datterselskap er utelatt fra konsolideringen: Nei

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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Note

7

**Fordringer**

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

see note 7 of the uploaded attachment

Note

Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter

Mer om finansielle instrumenter

Beskrivelse av finansielle derivater

Note

8

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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**Erverv**

Endringer i beholdning av aksjer i løpet av regnskapsåret

**Avhendelse**

Endringer i beholdning av aksjer i løpet av regnskapsåret

**Samvirkeforetak**

Vedtaksbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

**Mer om aksjer**

see note 8 of the uploaded attachment.

**Note**

9

**Gjeld**

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler

Balanseført verdi av de pantsatte eiendeler

Summen av garantiforpliktelser som ikke er regnskapsført

Garantiforpliktelser som er sikret ved pant

**Mer om gjeld**

see note 9 of the uploaded attachment

**Note**

Lån og sikkerhetsstillelse til medlemmer

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse

**Note**

10

Noteopplysninger ut over minimumskravene for små foretak

see note 10 for Ultimate and immediate holding company details



Sinomine Specialty Fluids Limited  
Annual report and financial statements  
for the year ended 31 December 2023

Branch Registration No. 986665943



## Sinomine Specialty Fluids - Norwegian Branch

### Annual report and financial statements

### for the period ended 31 December 2023

### Contents

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Independent auditor's report to the members of Sinomine Specialty Fluids Limited.....	5



## **Sinomine Specialty Fluids Limited**

### **Directors and advisors**

#### **Directors**

Mr X Zeng

Mr Z Wang

Mr C M Busengdal

Mr P Wang



## **Sinomine Specialty Fluids Limited**

### **Annual report for the period ended 31 December 2023**

#### **Nature of Business**

Sinomine Specialty Fluids Limited is a NUF – Norwegian registered foreign enterprise a branch of the UK Domiciled company with the same name. The Norwegian operations of the company will hereinafter be referred to as “the branch”

The branch is located at the coastal base at Ågotnes in the municipality of Øygarden,

#### **Review of activities and business developments**

The profit and loss account for the year is set out on page 6.

The business operates in Oil and Gas applications for customers globally. The main focus of the branch is the Norwegian Continental Shelf. Revenue in 2023 is \$7m higher than in previous year

The business has adapted to operating in a global environment. Post the COVID-19 pandemic, the business continues to operate globally and use a hybrid working pattern at sites which provides flexibility and allows risk management. The business is poised to adjust as required in the changing environment. The business and management are focussed on safety of its employees, customers, suppliers, and all stakeholders.

#### **Key performance indicators (“KPIs”)**

Revenue has decreased: 2023 \$25m, 2022 \$32m, which exceeded budgeted targets in both years with 2023 showing more revenue due to key projects beginning in 2021 being completed.

The branch recorded an operating profit of \$13m in 2023, \$16m in 2022 due to level of activity, budgeted targets were exceeded in both years.

#### **Going concern**

After making enquiries, the management have a reasonable expectation that the branch has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. This is discussed in more detail in the accounting policies.

### **Annual report (continued) for the year ended 31 December 2023**

#### **Health and Environment**

Sinomine Specialty Fluids is committed to ensuring that we are an industry leader in conducting our business responsibly and with respect to health, safety and welfare of our employees, customers, the public and the



## **Sinomine Specialty Fluids Limited**

environment. Our safety, health and environmental (SH&E) commitment is a core value of the branch, company and Sinomine Corporation and an integral part of our business activities. All of the branch's employees, management and contractors are responsible for providing a safe and healthy environment for our colleagues, contractors, visitors, customers and communities in which we operate. We will meet or exceed all applicable SH&E laws and regulations across our business functions.

### **Equality**

The branch had by the end of FY 2023, 10 employees 1 female and 9 males. Our personnel policy is considered gender neutral in all areas. We are committed to treat all employees and qualified applicants in an open and fair manner, and determined to ensure we are always fully compliant with all health and safety at work legislation.

### **Financial risk management**

The branch's operations expose it to a variety of financial risks that include the effects of changes on price risk, credit risk, liquidity risk and interest rate risk. The branch has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the branch by monitoring levels of debt finance and the related finance costs.

### **Price risk**

The branch is exposed to commodity price risk as a result of its operations. However, given the size of the branch's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The management will continue to revisit the appropriateness of this policy should the company's operations change in size or nature.

### **Credit risk**

Sales are predominately contracted directly to major international oil companies or through two major oilfield service companies on behalf of major international oil companies. Appropriate credit checks in accordance with Sinomine policies are completed by the Finance team on behalf of the branch on all potential customers before any sale agreements are implemented.

### **Liquidity risk**

The branch is principally financed from cash flow from operating activities. Cash is pooled with the UK entity Sinomine Specialty Fluids Limited. The arrangement is intended to ensure the branch has sufficient available funds for operations and planned expansions.

### **Norwegian Transparency Act**

The business has published a statement in relation to the Norwegian Transparency Act. This is available on the company website <https://formatebrines.com/regulatory-information/>

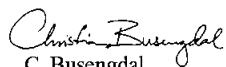
### **Other circumstances**

The branch does not have its own administration board. The general manager is not aware of any circumstances or events that aren't reflected in the financial statements including related notes. Nor have any events arisen by the end of the accounting year that are important when assessing the financial statements.



## Sinomine Specialty Fluids Limited

Signed on its behalf by:



C. Busengdal

Director

[DATE 26<sup>th</sup> June, 2025]



**Independent auditor's report to the members of Sinomine Specialty  
Fluids Limited**



Sinomine Specialty Fluids Limited

**Sinomine Specialty Fluids  
Profit and loss statement  
For year ended 31 December 2023**

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	Year end 31 December 2023 \$'000	Year end 31 December 2022 \$'000
1	Revenue	<u>25,090</u>	<u>31,918</u>
	<b>Total operating revenue</b>	<b><u>25,090</u></b>	<b><u>31,918</u></b>
2	Raw materials and consumables used	6,569	7,871
3	Payroll and related costs	1,963	1,981
2	Depreciation and amortization of fixed and intangible assets	231	227
2	Other operating expenses	<u>3,049</u>	<u>6,043</u>
2	<b>Total operating expenses</b>	<b><u>11,812</u></b>	<b><u>16,122</u></b>
	<b>Operating profit/(loss)</b>	<b><u>13,278</u></b>	<b><u>15,796</u></b>
	<b>FINANCIAL INCOME AND FINANCIAL EXPENSES</b>		
	Other financial income	(372)	(2,119)
	Other financial expenses	<u>272</u>	<u>510</u>
	<b>Financial items, net</b>	<b><u>(100)</u></b>	<b><u>(1,609)</u></b>
	<b>Profit/(loss) before taxation</b>	<b><u>13,378</u></b>	<b><u>17,405</u></b>
4	Income tax	<u>1,454</u>	<u>1,670</u>
	<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b><u>11,923</u></b>	<b><u>15,735</u></b>
	<b>ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS</b>		
	Transferred to other equity	<u>11,923</u>	<u>15,735</u>
	<b>Total allocations and equity transfers</b>	<b><u>11,923</u></b>	<b><u>15,735</u></b>

All items included in the profit and loss account for 2023 and 2022 relate to continuing operations.



### **Sinomine Specialty Fluids Limited**

The branch has no recognised gains or losses other than the profits above for the current and preceding year and therefore no separate statement of total recognised gains and losses has been presented.



Sinomine Specialty Fluids Limited

Balance sheet at 31 December 2023

NOTE	ASSETS	At 31 December 2023 \$'000	At 31 December 2022 \$'000
	<b>Non-current assets</b>		
	<b>Intangible assets</b>		
4	Deferred tax assets	80	8
	<b>Total intangible assets</b>	<b>80</b>	<b>8</b>
	<b>Tangible fixed assets</b>		
5	Land, buildings and other property	27	12
5	Plant and machinery	366	553
5	Fixtures and fittings	3	5
5	Assets under construction	0	8
	<b>Total tangible fixed assets</b>	<b>396</b>	<b>578</b>
	<b>Total non-current assets</b>	<b>476</b>	<b>586</b>
	<b>Current assets</b>		
6	<b>Inventories</b>	<b>28</b>	<b>7</b>
		<b>28</b>	<b>7</b>
	<b>Receivables</b>		
7	Accounts receivable	7,399	758
7	Intercompany accounts receivable		65,355
7	Other receivables	206	536
	<b>Total receivables</b>	<b>7,605</b>	<b>66,649</b>
	<b>Current investments</b>		
	<b>Cash and cash equivalents</b>	<b>51</b>	<b>0</b>
	<b>Total current assets</b>	<b>7,684</b>	<b>66,656</b>
	<b>TOTAL ASSETS</b>	<b>8,160</b>	<b>67,242</b>

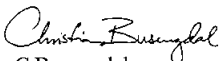


Sinomine Specialty Fluids Limited

Balance sheet at 31 December 2023 (continued)

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	At 31 December 2023 \$'000	At 31 December 2022 \$'000
	<b>Shareholders equity</b>		
8	Head Office Account	<u>94,334</u>	<u>24,172</u>
	<b>Total paid-in capital</b>	<u>94,334</u>	<u>24,172</u>
	<b>Retained earnings</b>		
8	Earnings	<u>(100,241)</u>	<u>(88,317)</u>
	<b>Total retained earnings</b>	<u>(100,241)</u>	<u>(88,317)</u>
	<b>Total shareholders equity</b>	<u>(5,907)</u>	<u>(64,145)</u>
	<b>Liabilities</b>		
	<b>Current liabilities</b>		
	Accounts payable	(155)	(290)
4	Current income taxes payable	(1,329)	(1,658)
9	Other current liabilities	<u>(769)</u>	<u>(1,149)</u>
	<b>Total current liabilities</b>	<u>(2,253)</u>	<u>(3,097)</u>
	<b>Total liabilities</b>	<u>(2,253)</u>	<u>(3,097)</u>
	<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>	<u>(8,160)</u>	<u>(67,242)</u>

<sup>2</sup>  
The financial statements of the Norwegian Branch of Sinomine Specialty Fluids Limited, registered number 986665943 were authorised for issue on [DATE to be inserted] and were signed on its behalf by:

  
C Busengdal  
Director



**Sinomine Specialty Fluids Limited**

**Cash flow Statement at 31 December 2023**

	<b>Period ended 31 Dec 2023 \$'000</b>	<b>Period ended 31 Dec 2022 \$'000</b>
<b>CASH FLOW FROM OPERATIONS:</b>		
Profit/(loss) before taxation	13,378	17,405
Depreciation and amortization	231	227
Change in inventory	(21)	11
Change in trade receivables	(6642)	5,081
Change in trade payables	(135)	(108)
Change in intercompany payable/receivable	(4,807)	(18,843)
Change in tax	(1,855)	(3,564)
Changes in other current assets and other liabilities	(49)	(208)
<b>Net cash flow from operations</b>	<b>100</b>	<b>1</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Inflows due to sales of fixed assets	-	-
Outflows due to purchases of fixed assets	(49)	(1)
<b>Net cash flow from investment activities</b>	<b>(49)</b>	<b>(1)</b>
Net change in bank deposits, cash and equivalents	51	0
<b>Bank deposits, cash and equivalents at 31 December</b>	<b>51</b>	<b>0</b>



## **Sinomine Specialty Fluids Limited**

### **Notes to financial statements for year ended 31 December 2023**

#### **Accounting policies**

The principal accounting policies are summarized below. They have all been applied consistently throughout the year and the preceding year

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable law and Norwegian Accounting Acts regulations and generally accepted accounting principles.

Sinomine Specialty Fluids Limited is a NUF - Norwegian registered foreign enterprise. The enterprise is not an independent legal entity, but is required to prepare annual accounts for its Norwegian Branch operations. The financial year follows the calendar year.

The branch presents its financial statements in US Dollars as this represents the currency of the primary economic environment in which it operates and generates net cash flows. It is also the function reporting currency of the company for United Kingdom reporting.

The financial statements must be read in conjunction with the annual report.

The financial statements comprise of the income statement, balance sheet, cash flow statement and notes, and are prepared in accordance with current Norwegian Accounting Act and generally accepted accounting principles for large enterprises.

The annual report is based on the basic principles of historical costs, comparability, going concern, congruence and prudence. Transactions are recorded at the value of the transaction date. Income is entered as income and expenses are matched with accrued income.

When applying accounting principles and presenting transactions and other matter, emphasis is placed on economic realities, not just legal form. Contingent losses that are probable and quantifiable are expensed. The accounting principles are elaborated below.

#### **Going Concern**

In carrying out their duties in respect of going concern, the general manager has carried out a review of the company's financial position and cash flow forecast for a period of 12 months from signing of these financial statements. Following this review, including consideration of the uncertainties brought about by the current economic environment and taking into account the strength of the company's net asset position, the management have a reasonable expectation that the branch has adequate resources to continue in operational existence for the foreseeable future.

Thus they have adopted the going concern basis of accounting in preparing the annual financial statements.

#### **Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover represents the rental, mobilisation and sale of specialty chemicals, primarily cesium and potassium formate. Revenue from formate rental is recognised



## **Sinomine Specialty Fluids Limited**

### **Notes to financial statements for year ended 31 December 2023**

throughout the rental period based on the contracted rental amount. Customers are billed and revenue is recognised at the end of the job for leased formate product that is not subsequently returned once the value can be accurately determined. Mobilisation revenue for fluid is recorded when the fluid has been transferred to the client site as the risk is with the client once the fluid is in their control. The company also makes direct sales of formate and these are invoiced on delivery.

#### **Valuation and classification of assets and liabilities**

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value.

#### **Tangible Fixed Assets**

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost on a straight-line basis over its expected useful life.

Other Property - 25 years  
Plant & Machinery - 10 years  
Fixture & Fittings - 10 years  
Office Equipment – 5 years

#### **Leased Assets**

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term

#### **Stocks**

Stocks are stated at the lower of cost and net realizable value. Cost, where appropriate, includes all direct expenditure and overhead expenditure incurred in bringing products to their current state under normal operating conditions. Net realizable value is the price at which the stock can be realized in the normal course of business after allowing for the cost of realization and, where appropriate, the cost of conversion from its existing state to a finished condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### **Research and Development**

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortized over the period the company is expected to benefit.



## **Sinomine Specialty Fluids Limited**

### **Notes to financial statements for year ended 31 December 2023**

#### **Receivables**

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

#### **Post-employment benefits**

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses.

#### **Cost of sales and other expenses**

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

#### **Income taxes**

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognized directly in equity. Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

#### **Foreign currencies**

Monetary assets and liabilities denominated in currencies other than US Dollars (the functional currency of the company) are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than US Dollars are translated into US Dollars at the contracted rates of exchange ruling at the date of the transaction. Exchange differences arising are taken into account in arriving at the operating result.



## Sinomine Specialty Fluids Limited

### Notes to financial statements for year ended 31 December 2023

#### 1 Turnover

The branch sells and leases out cesium on the Norwegian shelf.

Per area of operation:	2023	2022
<i>Norway</i>	25,098	31,743
<i>Romania</i>		175
<b>Total</b>	<b>25,098</b>	<b>31,918</b>

Per geographic market:	2023	2022
<i>Norway</i>	25,098	31,743
<i>Romania</i>		175
<b>Total</b>	<b>25,098</b>	<b>31,918</b>

Turnover is derived from the company's principal activity as set out in the Annual report.

#### 2 Operating Costs

Operating costs by nature	2023	2022
Changes in inventories of own work capitalised	5,850	6,997
Costs of goods sold	719	874
Payroll and related costs	1,963	1,988
Depreciation and amortisation of fixed and intangible assets	231	227
Other operating expenses	3,049	6,043
<b>Total</b>	<b>11,812</b>	<b>16,122</b>

Operating costs by nature	2023	2022
Utilities	210	184
General administration	2,056	4809
Accounting & Control	75	44
Human resources	19	24
Other	689	982
<b>Total</b>	<b>3,049</b>	<b>6,043</b>



**Sinomine Specialty Fluids Limited**  
**Notes to financial statements for year ended 31 December 2023**

**3 Payroll costs, number of employees, benefits etc.**

<b>Payroll costs</b>	<b>2023</b>	<b>2022</b>
Wages and salaries	1,435	1,620
Social security tax	236	176
Pension costs (see note 7)	71	78
Other benefits	221	107
<b>Total</b>	<b>1,963</b>	<b>1,981</b>
Average number of employees during the year	11	11

<b>Directors' remuneration</b>	<b>Salaries, fees</b>	<b>Pensions</b>	<b>Other benefits</b>
<b>General Manager.</b>	222	9	0

**Pension Liabilities**

The branch has a pension scheme for its employees through DNB. The scheme is in accordance with the law on mandatory pension liabilities.

**Auditor**

The appointed auditor for the year ended 31 December 2022 is Grant Thornton AS. Audit fee estimate recorded is:

	<b>2023</b>	<b>2022</b>
Statutory audit	20	36
Other assurance services	-	-

**4 Income Tax expenses**

<b>Specification of income tax expense:</b>	<b>2023</b>	<b>2022</b>
Current income tax payable	1,329	1,658
Changes in deferred tax	79	12
<b>Tax on profit/(loss)</b>	<b>1,408</b>	<b>1,670</b>



**Sinomine Specialty Fluids Limited**  
**Notes to financial statements for year ended 31 December 2023**

<b>This year's tax expense:</b>	<b>2023</b>	<b>2022</b>
This year's payable income tax expense	1,329	1,658
Too little/much income tax allocation previous years	197	0
Change in deferred tax asset	(72)	12
<b>Income Tax Expense</b>	<b>1,454</b>	<b>1,670</b>
<b>Taxable Income</b>		
Result before tax	13,378	17,405
Permanent Differences	-361	-694
Changes in temporary differences	410	36
<b>Tax Base</b>	<b>13,427</b>	<b>16,747</b>
Split 45% Norway	6,042	7,536
<b>Tax Payable in the balance sheet</b>	<b>1,329</b>	<b>1,658</b>
<b>Calculation of effective tax rate</b>		
Calculated tax on profit before tax (22%)	2,943	3,829
Tax on the split residual 55%	-1,619	-2,106
Tax effect of permanent differences	- 79	- 84
Tax from earlier year moved from finance cost	197	0
Other corrections	13	31
<b>Income Tax Expense</b>	<b>1,455</b>	<b>1,670</b>
Effective Tax Rate	11%	10%
<b>Temporary Differences</b>		
Fixed Assets	42	36
Provisions	319	0
<b>Basis for deferred tax assets</b>	<b>361</b>	<b>36</b>
<b>Deferred tax assets (22%)</b>	<b>80</b>	<b>8</b>

The deferred tax benefit is included in the balance sheet on the basis of future income.



**Sinomine Specialty Fluids Limited**  
**Notes to financial statements for year ended 31 December 2023**

**5 Property, Plant and equipment**

	Buildings	Plant and machinery	Fittings and fixtures	Assets under construction	Total
<b>Cost</b>					
At 1 January 2023	18	2,840	25	8	2,891
Additions purchased	19	38		(8)	49
Disposals	-		-	-	
<b>At 31 December 2023</b>	<b>37</b>	<b>2,878</b>	<b>25</b>	<b>0</b>	<b>2,940</b>
Accumulated depreciation at 31 December	10	2,512	22	0	2,544
<b>At 31 December 2023</b>	<b>10</b>	<b>2512</b>	<b>22</b>	<b>0</b>	<b>2,544</b>
<b>Net book amount</b>					
<b>At 31 December 2023</b>	<b>27</b>	<b>366</b>	<b>3</b>	<b>0</b>	<b>396</b>

**6 Inventories**

	31 December 2023	31 December 2022
Raw materials	28	7
<b>Total</b>	<b>28</b>	<b>7</b>

**7 Receivables; amounts due less than one year**

	2023	2022
Accounts receivable	7,399	758
Other receivables	206	536
Inter-company receivable		65,355

**8 Equity**

Retained Earnings	Other Equity	Total Retained Earnings
Equity at 1 January 2023	(88,317)	<b>(88,317)</b>
<u>This year's change in equity:</u>		
(Profit)/loss of the year	(11,924)	<b>(15,735)</b>



**Sinomine Specialty Fluids Limited**  
**Notes to financial statements for year ended 31 December 2023**

Head Office Account	94,334	24,172
<b>Retained Earnings at 31 December 2023</b>		<b>(5,907)</b>

The Norway branch of Sinomine Specialty Fluids Limited is an NUF. The Head Office Account is an allocation of equity from the company. The Norway branch does not have its own equity therefore the allocation is required.

**9 Other provisions for liabilities and charges**

<b>Provisions</b>	<b>2023</b>	<b>2022</b>
Trade accruals	(131)	(84)
Payroll accruals	(306)	(374)
Asset Retirement Obligation	(332)	(691)
<b>Total</b>	<b>(769)</b>	<b>(1,149)</b>

**10 Ultimate and immediate holding company**

The ultimate parent undertaking and controlling party is Sinomine, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group accounts can be obtained from Sinomine 39th Floor, RAYZONE, No. 161 Jinze Road, Fengtai Dist., Beijing, China

Sinomine Resources Rare Metals (Hong Kong) which is registered in Hong Kong, is the company's immediate parent company. Copies of the financial statements of Sinomine Hong Kong Limited may be obtained from, Sinomine 39th Floor, RAYZONE, No. 161 Jinze Road, Fengtai Dist., Beijing, China.



Statsautoriserte revisorer  
Ernst & Young AS

Vassbotnen 11 a Forus, 4313 Sandnes  
Postboks 8015, 4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske Revisorforening

To the General Meeting of Sinomine Specialty Fluids Limited NUF

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Sinomine Specialty Fluids Limited NUF (the Company), which comprise the balance sheet as at 31. December 2023, the income statement, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31. December 2023 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements

### Responsibilities of management for the Financial Statements

The Board of Directors and the General Manager (Management) are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as



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management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## **Other matters**

The Company's financial statements were presented after the expiry of the statutory deadline for presenting financial statements.



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Stavanger, 03.07.2025  
Ernst & Young AS

Stig Tore Strand  
State Authorised Public Accountant  
(This document is signed electronically)

Penneo Dokumentnøkkel: ASZ72-F7JH0-SLGO0-GFEI6-DIS37-KYBU1

Independent auditor's report - Sinomine Specialty Fluids Limited NUF 2023

A member firm of Ernst & Young Global Limited



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Strand, Stig Tore

Statsautorisert revisor

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Skatteetaten

Vår dato 28.03.2025	Din/Deres dato 14.03.2025	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90833418
Org.nr 974761076	Vår referanse 2025/5081302	Postadresse Postboks 9200 Grønland 0134 OSLO

SINOMINE SPECIALTY FLUIDS LIMITED NUF  
Att.Christian Busengdal  
Tranesvegen 29  
5347 ÅGOTNES  
Norge

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Sinomine Specialty Fluids Limited NUF, org.nr. 986 665 943

Vi viser til deres brev av 14. mars 2025 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Sinomine Specialty Fluids Limited NUF.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Sinomine Specialty Fluids Limited NUF dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Sinomine Specialty Fluids Limited NUF er en norsk filial av et utenlandsk selskap som er en del av et internasjonalt konsern. Selskapet driver virksomhet innen olje- og gassindustrien. Selskapet har internasjonale kunder, og arbeidsspråket i selskapet er primært engelsk.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper



som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er en norsk filial av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*