

# SINCERITY APPLIED MATERIALS HOLDINGS CORP.

Level 2, 627 Chapel Street South Yarra, Melbourne, VIC, 3141, Australia

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www.sincerityplastics.com

info@sincerityplastics.com

## Annual Report

For the period ending December 31, 2024 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

1,577,780,563 as of December 31, 2024 *(Current Reporting Period Date or More Recent Date)*

27,637,498 as of December 31, 2023 *(Most Recent Completed Fiscal Year End)*

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### Change in Control

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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<sup>4</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Sincerity Applied Materials Holdings Corp.

On September 25, 2013, company name changed from Hapykidz Com Inc to Symbid Corp.

On June 14, 2017, company name changed from Symbid Corp. to Sincerity Applied Materials Holdings Corp.

Current State and Date of Incorporation or Registration: Nevada on July 28, 2011

Standing in this jurisdiction: (e.g. active, default, inactive): Active and in good standing

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

Level 2, 627 Chapel Street, South Yarra, Melbourne, VIC, 3141, Australia

Address of the issuer's principal place of business:

*Check if principal executive office and principal place of business are the same address:*

Yes

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

Name: VStock Transfer LLC  
Phone: +1 212-828-8436  
Email: info@vstocktransfer.com  
Address: 18 Lafayette Place, Woodmere, NY, 11598

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	SINC
Exact title and class of securities outstanding:	COMMON
CUSIP:	829223205
Par or stated value:	0.00001
Total shares authorized:	2,900,000,000 as of December 31, 2024
Total shares outstanding:	1,577,780,563 as of December 31, 2024
Total number of shareholders of record:	134 as of December 31, 2024

*Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.*

N/A

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	Convertible Series A Preferred
Par or stated value:	0.0001
Total shares authorized:	10,000,000 as of December 31, 2024
Total shares outstanding:	10,000,000 as of December 31, 2024
Total number of shareholders of record	2 as of December 31, 2024

*Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.*

N/A

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

The common stock of the company is eligible for dividends and has full voting rights on all corporate matters, but it does not contain any rights or privileges with regards to preemptive rights.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

One share of the Convertible Series A Preferred Stock shall be convertible into one thousand (1000) shares of common stock of the Corporation and entitled to one thousand (1000) votes of common stock for every one (1) share of as Convertible Series A Preferred Stock owned. The holders of the Convertible Series A Preferred Stock shall not be entitled to receive dividends.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

### 3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> :			*Right-click the rows below and select "Insert" to add rows as needed.						
Date January 1, 2022    Common: 73,340,730 Preferred: 0									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance ? (Yes/No)	Individual/ Entity Shares were issued to.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
May 6, 2022	Cancellation	(48,079,730 )	Common	\$0.01	No	MF & HP Pty Ltd ATF Zhang Family Trust  Ting, Yin	For cash	Restricted	N/A
May 17, 2022	New issuance	1,200,000	Common	\$0.61	No	Anthony Saviano of Infinity Fund	Debt conversion	Unrestricted	Rule 3a-10
April 12, 2022	New issuance	253,165	Common	\$0.001	No	Christopher Miglino of SRAX	IR services	Restricted	Section 4(a)(2)
May 10, 2022	New issuance	2,600,000	Preference	\$0.01	No	MF & HP Pty Ltd ATF Zhang Family Trust  Ting, Yin	For cash	Restricted	Section 4(a)(2)
July 1, 2022	New issuance	20,000	Common	\$0.18	No	John J STEWART	IR services	Restricted	Section 4(a)(2)

August 1, 2022	New issuance	20,000	Common	\$0.18	No	John J STEWART	IR services	Restricted	Section 4(a)(2)
August 23, 2022	New issuance	700,000	Common	\$0.1553	No	INFINITY FUND LLC Anthony Saviano	Debt conversion	Unrestricted	Rule 3a-10
August 29, 2022	New issuance	33,333	Common	\$0.1750	No	ATLANTA CAPITAL PARTNERS LLC David Kugelman	IR services	Restricted	Section 4(a)(2)
September 1, 2022	New issuance	20,000	Common	\$0.1999	No	John J STEWART	IR services	Restricted	Section 4(a)(2)
October 3, 2022	New issuance	30,000	Common	\$0.14	No	John J STEWART	IR services	Restricted	Section 4(a)(2)
October 3, 2022	New issuance	100,000	Common	\$0.1	No	John J STEWART	For cash	Restricted	Section 4(a)(2)
November 8, 2022	New issuance	30,000	Preference	\$0.01	No	John J STEWART	For cash	Restricted	Section 4(a)(2)
December 1, 2022	New Issuance	30,000	Preference	\$0.01	No	John J STEWART	For cash	Restricted	Section 4(a)(2)
April 1, 2024	New issuance	3,027,270	Common	\$0.001	No	16SIX Trust, Simon Rees	For acquisition	Restricted	Section 4(a)(2)
April 8, 2024	New issuance	1,197,878	Common	\$0.03006	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
May 6, 2024	New issuance	1,588,462	Common	\$0.0052	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
June 3, 2024	New issuance	1,667,263	Common	\$0.002795	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
June 17, 2024	New issuance	1,707,233	Common	\$0.0015	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
June 20, 2024	New issuance	1,746,667	Common	\$0.0015	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 1, 2024	New issuance	1,875,707	Common	\$0.0015	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 8, 2024	New issuance	34,790,000	Common	\$0.006	No	MS Commerical Group, LLC, Richard Selby	For acquisition	Restricted	Section 4(a)(2)
July 8, 2024	New issuance	9,310,000	Common	\$0.006	No	2315436 ONTARIO INC	For acquisition	Restricted	Section 4(a)(2)

						Vladimir Zarev			
July 8, 2024	New issuance	4,900,000	Common	\$0.006	No	Jeffrey E. Randall	For acquisition	Restricted	Section 4(a)(2)
July 8, 2024	New issuance	1,914,385	Common	\$0.00096	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 8, 2024	New issuance	2,015,306	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 11, 2024	New issuance	2,015,306	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 15, 2024	New issuance	4,755,102	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 22, 2024	New issuance	4,864,958	Common	\$0.00096	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 22, 2024	New issuance	4,989,796	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 25, 2024	New issuance	4,989,796	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 29, 2024	New issuance	5,734,694	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
July 30, 2024	New issuance	5,734,694	Common	\$0.00098	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 2, 2024	New issuance	5,733,032	Common	\$0.001105	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 5, 2024	New issuance	6,594,872	Common	\$0.000975	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 6, 2024	New issuance	6,594,872	Common	\$0.000975	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 7, 2024	New issuance	6,594,872	Common	\$0.000975	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 8, 2024	New issuance	6,591,716	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 8, 2024	New issuance	6,511,181	Common	\$0.00072	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144

August 9, 2024	New issuance	6,591,716	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 12, 2024	New issuance	6,591,716	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 12, 2024	New issuance	8,562,130	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 14, 2024	New issuance	8,562,130	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 15, 2024	New issuance	8,562,130	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 16, 2024	New issuance	8,562,130	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 21, 2024	New issuance	10,173,076	Common	\$0.00078	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 23, 2024	New issuance	10,173,076	Common	\$0.00078	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 24, 2024	New issuance	10,176,331	Common	\$0.000845	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 26, 2024	New issuance	3,200,000	Common	\$0.00078	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
August 27, 2024	New issuance	76,000,000	Common	\$0.00001	Yes	2315436 ONTARIO INC, Vladimer Zarev	For acquisition	Restricted	Section 4(a)(2)
August 27, 2024	New issuance	40,000,000	Common	\$0.00001	Yes	Jeffrey E. Randall	For acquisition	Restricted	Section 4(a)(2)
August 27, 2024	New issuance	284,000,000	Common	\$0.00001	Yes	MS Commercial Group LLC, Richard Selby	For acquisition	Restricted	Section 4(a)(2)
August 27, 2024	New issuance	52,481,564	Common	\$0.00001	Yes	16SIX Trust, Simon Rees	For acquisition	Restricted	Section 4(a)(2)
August 27, 2024	New issuance	372,031,432	Common	\$0.00001	Yes	MF & HP Pty Ltd ATF Zhang Family Trust Ting, Yin	For Cash	Restricted	Section 4(a)(2)
September 3, 2024	New issuance	11,201,861	Common	\$0.00072	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144

September 6, 2024	New issuance	7,340,000	Preference	\$0.01	No	MF & HP Pty Ltd ATF Zhang Family Trust Ting, Yin	For cash	Restricted	Section 4(a)(2)
September 9, 2024	New issuance	18,825,242	Common	\$0.00066	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
September 11, 2024	New issuance	53,846,154	Common	\$0.00065	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
September 16, 2024	New issuance	100,000,000	Common	\$0.0008	No	Nebula Fund Pty Ltd	Conversion of Convertible Notes	Unrestricted	Rule 3a-10
September 17, 2024	New issuance	57,608,696	Common	\$0.00046	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
September 19, 2024	New issuance	57,610,256	Common	\$0.00039	Yes	1800 DIAGONAL LENDING LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
September 20, 2024	New issuance	51,894,972	Common	\$0.00036	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
September 25, 2024	New issuance	69,269,417	Common	\$0.00036	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
October 1, 2024	New issuance	41,689,500	Common	\$0.00036	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
October 9, 2024	New issuance	41,689,500	Common	\$0.00036	Yes	ONE44 CAPITAL, LLC	Conversion of Convertible Notes	Unrestricted	Rule 144
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date December 31, 2024 Common: 1,577,780,563									
Preferred: 10,000,000									

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

N/A

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
April 6, 2022	\$0	\$120,000	\$14,795	April 6, 2023	60% of the lowest trading price for the twenty prior trading days	Ahron Fraiman of ONE44 CAPITAL, LLC	Working capital
May 4, 2022	\$0	\$68,750	\$6,359	May 4, 2023	65% of the lowest trading price for the twenty prior trading days	Curt Kramer of 1800 DIAGONAL LENDING LLC	Working capital
June 17, 2022	\$0	\$54,250	\$4,495	June 17, 2023	65% of the lowest trading price for the twenty prior trading days	Curt Kramer of 1800 DIAGONAL LENDING LLC	Working capital

On August 20, 2020, SINC has entered into a stock purchase agreement with Simcor (Jiangsu) Materials Technology Ltd (“SMTL”):

- (a) Ms Leping ZHANG (sole director and shareholder of SMTL) will sell her 100% shareholding with 2m ordinary shares to SINC for a consideration of US\$2.5m.
- (b) SMTL will issue and sell to SINC 5m ordinary shares for a consideration of US\$4.5m.

The Group has issued a USD7m promissory note to the shareholder of SMTL and assigned the debt to Infinity Fund LLC for the same amount of USD7 million subject to the granting of Section 3(a)(10) of the Securities Act of 1933 as described in Note 15(a).

Infinity Fund Canada Ltd (being a Company duly registered under the laws of QUEBEC, CANADA with registered number 1274538-1 and having its registered address at 50 Boulevard Saint-Charles, STE: 26774, Beaconsfield, Quebec H9W 5J9) and Infinity Fund LLC (Wyoming Company with Registration Number 2015-000681512 and having its registered address at 30 N Gould St. STE N, Sheridan, WY 82801) transferred certain shares held by them to Jackson Rees of Nebula Fund Pty Ltd (being a Company duly registered under the laws of the AUSTRALIA with registered number 675 440 105 and having its registered address at 14 Wilsden Street, Walkerville, SA, 5081, Australia).

The following shall comprise the Shares:

Company Name	Number of Shares	Class of Shares	Face Value	% Paid Up	Those Securities Numbered
Sincerity Applied Material Holdings	1,052,000	Common	\$115,614	100%	Book
Sincerity Applied Material Holdings	3(a)10 Note	Common	\$9,147,611	100%	In TA Book

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

N/A

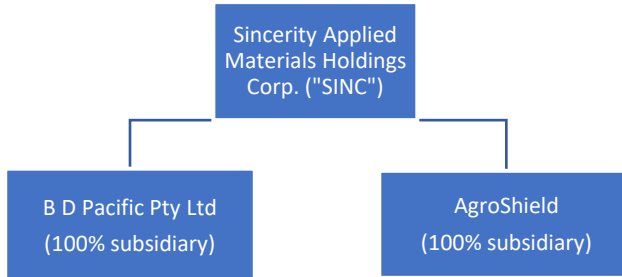
#### 4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company’s Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

- A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Sincerity Applied Materials Holdings Corp. applies its unparalleled expertise in polymer science, and chemical science, along with its deep manufacturing and engineering capabilities, to develop category-defining high-performance polymers that support industries transformation and enhance people's lives. Our vision is to be the most creative, respectable and responsible leader in material science, to achieve that we provide customer with performance material today while setting innovations for tomorrow.

B. List any subsidiaries, parent company, or affiliated companies.



C. Describe the issuers' principal products or services.

Engineering Plastic Resin Plastic Sheets Biodegradable/Compostable Polymers Performance Films (MAP, Ventilated, Breathable)

**5) Issuer's Facilities**

*The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.*

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

None

**6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Yiwen Zhang	CEO	Unit 2205, 18 Yarra St, South Yarra, VIC, 3141, Australia	Nil	N/A	N/A	N/A
Christopher Lim	CFO	3 Romilly Ave, Lower Templestowe, VIC, 3107, Australia	Nil	N/A	N/A	N/A
Peter Wang	Treasurer	Unit 304c, 1-17 Elsie St, Burwood, NSW, 2134, Australia	Nil	N/A	N/A	N/A
MF & HP Pty Ltd ATF Zhang Family Trust	Owner of more than 5%	Unit 2205, 18 Yarra St, South Yarra, VIC, 3141, Australia	393,491,165	Common	24.94%	Ting, Yin
MF & HP Pty Ltd ATF Zhang Family Trust	Owner of more than 5%	Unit 2205, 18 Yarra St, South Yarra, VIC, 3141, Australia	9,940,000	Preferred A	99.4%	Ting, Yin

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state

securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

### 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: JDT Legal  
Address 1: 7533 S Center View Ct, #4291  
Address 2: West Jordan, Utah 84065  
Phone: 801-810-4465  
Email: [jeff@jdt-legal.com](mailto:jeff@jdt-legal.com)

#### Accountant or Auditor

Name: NA  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

## Investor Relations

Name: John J Stewart  
Firm:  
Address 1: 565 Fareham Court  
Address 2: Castle Rock, CO, 80104  
Phone:  
Email: [stewdomer@gmail.com](mailto:stewdomer@gmail.com)

### *All other means of Investor Communication:*

X (Twitter): <https://twitter.com/SincerityCorp>  
Discord:  
LinkedIn <https://www.linkedin.com/in/james-zhang-12343b64/>  
Facebook:  
[Other ]

## Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: NA  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

## **9) Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: Peter Wang  
Title: Treasurer & Accountant  
Relationship to Issuer: Accounting Service Provider

B. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Christopher Lim  
Title: CFO  
Relationship to Issuer: CFO

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> Chartered Accountants Australia & New Zealand

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Yiwen Zhang certify that:

1. I have reviewed this Disclosure Statement for SINCERITY APPLIED MATERIALS HOLDINGS CORP.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Mar 27<sup>th</sup>, 2024 [Date]

/s/ Yiwen Zhang [CEO's Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

*Principal Financial Officer:*

I, Christopher Lim certify that:

1. I have reviewed this Disclosure Statement for SINCERITY APPLIED MATERIALS HOLDINGS CORP.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Mar 27<sup>th</sup>, 2024 [Date]

/s/ Christopher Lim [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED (UNAUDITED)  
DECEMBER 31, 2024 and 2023**

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**  
**Unaudited Consolidated Balance Sheets**  
**As at December 31, 2024 and 2023**

	<u>Note</u>	<u>Unaudited 2024 \$</u>	<u>Unaudited 2023 \$</u>
<b>Assets</b>			
Cash and cash equivalents	4	168,449	16,458
Inventory		473,912	–
Other receivables		9,789,917	640,237
<b>Total current assets</b>		<b><u>10,432,278</u></b>	<b><u>670,654</u></b>
Property, plant and equipment, net of accumulated depreciation and amortization	6	2,500	51,175
Goodwill		633,000	
Loan to shareholder		–	1,707,586
<b>Total non-current assets</b>		<b><u>635,500</u></b>	<b><u>1,758,761</u></b>
<b>Total assets</b>		<b><u>11,067,778</u></b>	<b><u>2,429,415</u></b>
<b>Liabilities and Stockholders' Equity/(Deficit)</b>			
<b>Liabilities</b>			
Accounts payables		1,545,811	337,297
Accrued and other liabilities	7	270,338	100,566
Wages payable		754,967	625,000
Long-term debt - current position	8	550,000	34,540
Line of credit	9	495,048	927,065
Other payables - related party		111,465	11,260
Convertible notes	10	9,067,611	258,147
Derivate liability	10	–	151,499
<b>Total current liabilities</b>		<b><u>12,795,240</u></b>	<b><u>2,445,374</u></b>
Long-term debt - non-current position		796,544	–
<b>Total non-current liabilities</b>		<b><u>796,544</u></b>	<b><u>–</u></b>
<b>Total liabilities</b>		<b><u>13,591,784</u></b>	<b><u>2,445,374</u></b>
<b>Equity</b>			
Common stock			
Authorized: \$0.00001 par value, 2,900,000,000 shares authorized			
Issued and outstanding: 1,577,780,563		704,880	78,250
Additional paid in capital		4,887,386	4,431,709
Preference stock			
Authorized: \$0.0001 par value, 10,000,000 shares authorized Issued and outstanding: 10,000,000 and Nil, respectively		10,000	2,600
Accumulated losses		(8,511,600)	(4,721,193)
Foreign currency translation differences	12	385,328	192,675
<b>Total stockholders' deficit</b>		<b><u>(2,524,006)</u></b>	<b><u>(15,959)</u></b>
<b>Total liabilities and stockholders' equity</b>		<b><u>11,067,778</u></b>	<b><u>2,429,415</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**  
**Unaudited Consolidated Statement of Operations**  
**For the Year ended December 31, 2024 and 2023**

	<u>Note</u>	<u>Unaudited 2024 \$</u>	<u>Unaudited 2023 \$</u>
<b>Revenue</b>			
Sales		1,155,639	243,265
Cost of sales		<u>(1,102,965)</u>	<u>(187,979)</u>
<b>Gross profit</b>		<b>52,674</b>	<b>55,286</b>
<b>Operating expenses</b>			
Depreciation and amortization		139	4,677
Selling, general and administrative expenses		326,565	50,918
Employee expenses		125,000	125,000
Goodwill write-off		2,618,493	–
Professional service fees		<u>295,673</u>	<u>162,761</u>
<b>Total operating expenses</b>		<b>3,365,870</b>	<b>343,356</b>
<b>Income/(Loss) from operations</b>		<b>(3,313,196)</b>	<b>(288,070)</b>
<b>Other income/(expenses)</b>			
Other income		80,268	18,597
Interest expense		(60,590)	(48,261)
Gain/(loss) on disposal of subsidiary		(496,143)	–
Foreign currency transaction income/(loss)		<u>(747)</u>	<u>(591)</u>
<b>Total other income/(loss)</b>		<b>(477,212)</b>	<b>(30,255)</b>
<b>Income/(Loss) from continuing operations before income tax expenses</b>		<b>(3,790,408)</b>	<b>(318,325)</b>
Income tax (expense)/benefit	11	<u>–</u>	<u>–</u>
<b>Net income/(loss) after income tax expense for the period</b>		<b>(3,790,408)</b>	<b>(318,325)</b>
<b>Other comprehensive income /(loss)</b>			
Exchange differences arising on translation of foreign operations		<u>192,654</u>	<u>(42,265)</u>
<b>Total other comprehensive income/(loss)</b>		<b>192,654</b>	<b>(42,265)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(3,597,754)</b>	<b>(360,591)</b>
<b>Net (loss)/gain per share</b>			
Basic and diluted		–	–
<b>Weighted average number of common stock outstanding</b>			
Basic and diluted		249,098,984	27,637,498

The accompanying notes are an integral part of these consolidated financial statements.

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

**Unaudited Consolidated Statement of Changes in Stockholders' Equity / (Deficit)**

**For the Year ended December 31, 2024 and 2023**

	Common Stock		Additional Paid in Capital	Preference Stock		Other Comprehensive Earnings	Accumulated Losses	Total (Deficit) /Equity
	Shares	Amount		Shares	Amount			
<b>Balance at December 31, 2023</b>	<b>27,637,498</b>	<b>78,250</b>	<b>4,431,709</b>	<b>2,600,000</b>	<b>2,600</b>	<b>192,675</b>	<b>(4,721,193)</b>	<b>(15,959)</b>
Income/(loss) after income tax expense for the period	-	-	-	-	-	-	(3,790,408)	(3,790,408)
Issuance of common shares	1,550,143,065	626,630	455,677	-	-	-	-	1,082,307
Issuance of preference shares	-	-	-	-	7,400	-	-	7,400
Other comprehensive income/(loss) for the period	-	-	-	-	-	192,653	-	192,653
<b>Balance at December 31, 2024</b>	<b>1,577,780,563</b>	<b>704,880</b>	<b>4,887,386</b>	<b>10,000,000</b>	<b>10,000</b>	<b>385,328</b>	<b>(8,511,600)</b>	<b>(2,524,006)</b>
<b>Balance at December 31, 2022</b>	<b>27,637,498</b>	<b>78,250</b>	<b>4,508,351</b>	<b>2,600,000</b>	<b>2,600</b>	<b>234,939</b>	<b>(4,402,867)</b>	<b>421,273</b>
Income/(loss) after income tax expense for the period	-	-	-	-	-	-	(318,326)	(318,326)
Share issuance costs	-	-	(76,642)	-	-	-	-	(76,642)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(42,265)	-	(42,265)
<b>Balance at December 31, 2023</b>	<b>27,637,498</b>	<b>78,250</b>	<b>4,431,709</b>	<b>2,600,000</b>	<b>2,600</b>	<b>192,675</b>	<b>(4,721,193)</b>	<b>(15,959)</b>

The accompanying notes are an integral part of these consolidated financial statements

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**  
**Unaudited Consolidated Statement of Cash Flows**  
**For the Year ended December 31, 2024 and 2023 (Unaudited)**

	(Unaudited) 2024 \$	(Unaudited) 2023 \$
<b>Cash flows from operating activities:</b>		
Net income/(loss)	(3,790,408)	(318,325)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation	139	4,677
Net difference on foreign exchange	747	591
Goodwill write-off	2,618,493	—
Net changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	13,959	(11,258)
Increase/(decrease) in trade and other payables	1,608,458	231,776
Increase in deferred tax asset	—	—
<b>Net cash generated/(used) in operating activities</b>	<b>451,388</b>	<b>(92,539)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	—	—
<b>Net cash used in investing activities</b>	<b>—</b>	<b>—</b>
<b>Cash flows from financing activities</b>		
Repayment of advances from former directors' related entities	(491,304)	—
Proceeds/(payments) from borrowings	—	175,723
Proceeds/(repayments) of advances from related entities	—	(62,094)
<b>Net cash provided by financing activities</b>	<b>(491,304)</b>	<b>113,629</b>
Net increase/(decrease) in cash and cash equivalents	(39,916)	21,090
Effect of exchange rate changes on cash and cash equivalents	191,907	(10,493)
Cash and cash equivalents at the beginning of period	16,458	5,861
<b>Cash and cash equivalents at the end of period</b>	<b>168,449</b>	<b>16,458</b>

The accompanying notes are an integral part of these consolidated financial statements

# SINCERITY APPLIED MATERIALS HOLDINGS CORP.

## Notes to Consolidated Statements

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Nature of Operations**

Sincerity Applied Material Holdings Corp (the "Company") is a specialized provider of technologically advanced packing materials for the automotive, packaging, building & construction, and engineering industries, with headquarters located near Melbourne, Australia. The Company's primary customer is an unrelated entity with global operations that accounts for approximately 80%-90% of The Company's revenue, and The Company's primary suppliers are in China and Malaysia.

#### **1.2 Basis of Accounting**

The accompanying financial statements include the accounts of Sincerity Applied Material Holdings Corp which is a company domiciled in Australia. These financial statements have been prepared in accordance with the accounting principles generally accepted in the United States ("GAAP") and Regulation S-X published by the US Securities and Exchange Commission (the "SEC"). Certain prior period amounts have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income, accumulated deficit, net assets, or total shareholders' deficit. The Company has evaluated events or transactions through the date of issuance of this report in conjunction with the preparation of these consolidated financial statements. All amounts presented are in US dollars, unless otherwise noted.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **1.3 Going Concern Basis**

The financial statements of Sincerity Applied Materials Holdings Corp ("the Company" or "SINC") have been prepared on a going concern basis, which contemplates the continuation of business operations and the realization of assets and settlement of liabilities in the normal course of business. However, certain conditions raise substantial doubt about the Company's ability to continue as a going concern.

As of December 31, 2024, the Company had a current asset deficiency of \$2,362,962 (December 31, 2023: \$1,774,720) and incurred an after-tax loss of \$1,171,915 for the year ended December 31, 2024 (2023: \$318,325). The increase in losses and asset deficiency was primarily attributable to legacy operations that have since been restructured. In response, the Company has undertaken significant strategic initiatives to improve financial stability and long-term profitability.

To address these financial challenges, SINC has executed a corporate restructuring plan, including the planned spin-off of unprofitable business segments in 2025. This strategic divestment will allow the Company to concentrate its resources on the expansion of its water treatment chemicals division and the commercialization of its innovative quantum glass technology, both of which are expected to drive substantial revenue growth in the coming years.

Moreover, the Company has successfully secured commitments from Australian-based institutional investors to support its next phase of growth. This funding is expected to provide additional working capital, facilitating market expansion and the commercialization of its core product lines. The Company continues to explore further financing options, including strategic partnerships and potential capital raises, to ensure operational sustainability.

The ability of the Company to continue as a going concern is dependent on its capacity to generate sufficient revenues from its core business operations and secure additional funding as needed. While management remains confident in the successful execution of its growth strategy, there can be no assurance that the anticipated improvements in financial performance and liquidity will be realized within the expected timeframe. As such, these factors indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Management continues to monitor its financial position closely and is committed to taking all necessary steps to strengthen its balance sheet and achieve long-term financial sustainability.

## **SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

### **Notes to Consolidated Statements**

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#### ***1.4 Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***1.5 Foreign Currency Translation***

The functional currency of the Company is its local currency, the Australian dollar (AUD). The financial statements of the Company have been translated into U.S. dollars (USD). All balance sheet accounts, other than those in stockholder's deficiency, which are translated, based on historical rates accumulated over time, have been translated using the exchange rate in effect at the balance sheet date. Income statement amounts have been translated using the average exchange rate in effect for the year ended December 31, 2024. Accumulated net translation adjustments have been reported separately in other comprehensive loss in the financial statements. Foreign currency translation adjustments resulted in a gain of \$192,654 for the year ended December 31, 2024; such translation adjustments are not subject to income taxes. Foreign currency transaction loss resulting from exchange rate fluctuations on transactions denominated in a currency other than the AUD, the functional currency, totaled \$747 for the year ended December 31, 2024, and is included in the accompanying statement of income for the period.

#### ***1.6 Cash and Cash Equivalents and Concentration of Credit Risk***

The Company considers all highly liquid short-term investments with original maturities of three months or less at the date of acquisition to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments.

The Company's financial instruments exposed to concentrations of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are held in several Australian bank accounts. The Company regularly assesses the level of credit risk we are exposed to and whether there are better ways of managing credit risk. The Company invests its cash and cash equivalents with reputable financial institutions. The Company has not incurred any losses related to these deposits.

#### ***1.7 Accounts Receivable***

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. The Company evaluates its accounts receivable on a regular basis and establishes an allowance for doubtful accounts, when deemed necessary, based on a history of past write-offs and collections and current credit conditions. A receivable is considered past-due based either on contractual terms or payment history. Accounts are written off as uncollectible after collection efforts have failed. In addition, The Company does not generally charge interest on past-due accounts or require collateral. It is at least reasonably possible that changes may occur in the near term that would affect management's estimate of the allowance for doubtful accounts. At December 31, 2024, management determined that no allowance for doubtful accounts was required.

#### ***1.8 Goodwill***

Goodwill is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value.

#### ***1.9 Payables***

Payables are carried at amortized cost and, due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### ***1.10 Provisions***

Provisions are recognized when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

### **Notes to Consolidated Statements**

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#### ***1.11 Leases***

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalized by recognizing an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognized as expenses on a straight-line basis over the lease term.

#### ***1.12 Loans and Borrowings***

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

#### ***1.13 Revenue Recognition***

The Company recognizes revenue when the goods are delivered at the port of shipment by the supplier, the price is fixed or determinable, and collectability is reasonably assured.

Interest revenue is recognized using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

#### ***1.14 Income Tax***

We account for income taxes using the asset and liability method, under which the current income tax expense or benefit is the amount of income tax expected to be payable or refundable in the current year. Deferred tax assets and liabilities are recorded for the estimated future tax consequences of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be recovered or settled.

We evaluate the realizability of our deferred tax assets and establish a valuation allowance when it is more likely than not that all or a portion of our deferred tax assets will not be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We account for the uncertainty in income tax components based on tax positions taken or expected to be taken in a tax return. To recognize a benefit, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We do not recognize tax benefits that have a less than 50 percent likelihood of being sustained. Our policy is to recognize interest and tax penalties related to unrecognized tax benefits in income tax expense; no interest or tax penalties on uncertain tax benefits have been recorded through December 31, 2024.

## **SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

### **Notes to Consolidated Statements**

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#### ***1.15 Goods and Services Tax (GST)***

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### ***1.16 Impairment of Long-Lived Assets***

The Company reviews long-lived assets, including fixed assets, for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the asset is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the asset. During year ended December 31, 2024, goodwill from the acquisition of AgroShield LLC were written off and recognized for long-lived assets.

#### ***1.17 Stock-Based Compensation***

The Company recognizes all employee share-based compensation as a cost in the consolidated financial statements. Equity-classified awards principally related to stock options, restricted stock units (“RSUs”) and performance stock units (“PSU”), are measured at the grant date fair value of the award. The Company determines grant date fair value of stock option awards using the Black-Scholes option-pricing model. The fair value of restricted stock awards is determined using the closing price of the Company’s common stock on the grant date. For service based vesting grants, expense is recognized over the requisite service period based on the number of options or shares expected to ultimately vest. For performance-based vesting grants, expense is recognized over the requisite period until the performance obligation is met, assuming that it is probable. No expense is recognized for performance-based grants until it is probable the vesting criteria will be satisfied. Forfeitures are estimated at the date of grant and revised when actual or expected forfeiture activity differs materially from original estimates.

Stock-based payments to non-employees are re-measured at each reporting date and recognized as services are rendered, generally on a straight-line basis. The Company believes that the fair values of these awards are more reliably measurable than the fair values of the services rendered.

#### ***1.18 Earnings (Loss) per Common Share***

Basic earnings (loss) per common share is computed by dividing income or losses available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per common share is computed similar to basic net income or losses per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and of the additional common shares were dilutive. Diluted earnings (loss) per common share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under if –converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

#### ***1.19 Accumulated Other Comprehensive Income (Loss)***

Comprehensive income (loss) is presented net of applicable income taxes in the accompanying consolidated statements of stockholders' equity and comprehensive income (loss). Other comprehensive income (loss) is comprised of revenues, expenses, gains, and losses that under GAAP are reported as separate components of stockholders' equity instead of net income (loss).

**1.20 Recently Issued Accounting Standards**

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

**1.21 Reverse Acquisition Accounting**

In accordance with "reverse acquisition" accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Acquisition will be replaced with the historical financial statements of Sincerity Australia Pty Ltd ("SAPL"), prior to the Acquisition, in all future filings with the SEC. Consequently retroactive adjustments have been made to the equity balances of SAPL to reflect the equity balances of the legal parent company Sincerity Applied Materials Holdings Corp as required under ASC 805 and the application of reverse acquisition accounting.

**2. Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key Estimates****(i) Useful lives**

The Company determines the estimated useful lives and related depreciation and amortization charges for its property and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**(ii) Income tax**

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

**(iii) Fair value measure of shares issued and convertible notes payable**

The calculation of the fair value of shares issued requires significant estimate to be made in regards to several variables. The estimations made are subject to variability that may alter the overall fair value determined.

Convertible notes payable are analyzed at issue date to determine balance sheet classification, issue discounts or premiums, and embedded or derivative features. Embedded or derivative features are evaluated in accordance with accounting guidance for derivative securities and, if the features give rise to separate accounting, we make an election to account for the notes at cost or at fair value.

If fair value accounting is elected, on the issue date we record the difference between the issue price of the notes and their fair value as a gain or loss in the consolidated statement of operations. We re-measure the fair value at each reporting date and record again (upon a decrease in fair value) or loss (upon an increase in fair value) for the change in fair value. Fair value is determined using a Black Scholes valuation model with; inputs to the model include the market value of the underlying stock, a life equal to the contractual life of the notes, incremental borrowing rates that correspond to debt with similar credit worthiness, estimated volatility based on the historical prices of our trading securities, and we make assumptions as to our abilities to test and commercialize our product(s), to obtain future financings when and if needed, and to comply with the terms and conditions of the notes.

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.****Notes to Consolidated Statements**

Following an analysis of their embedded and derivative features and a projection of the volatility of their effective interest rates under the cost method, we elected to utilize fair value accounting for the convertible notes payable we issued on during the three months ended 30 June 2018. Management believes the fair value method of accounting provides a more appropriate presentation of these liabilities than would be provided under the cost method.

**Key Judgements****(i) Provision for impairment of receivables**

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

**(ii) Impairment**

The Company assessed that no indicators of impairment existed at the reporting date and as such no impairment testing was performed.

**3. Segment Information**

The consolidated entity operates predominantly in one industry and one geographical segment, those being sales of technical advanced plastics materials in Australia, respectively.

**4. Cash and Cash Equivalents**

Cash at the end of the financial periods as shown in the statement of cash flows is reconciled to items in the balance sheets as follows:

	<u>2024</u>	<u>2023</u>
Cash at bank	\$ 168,449	\$ 15,777
Petty Cash	–	681
	<u>\$ 168,449</u>	<u>\$ 16,458</u>

**5. Account Receivables and Other Assets**

	<u>2024</u>	<u>2023</u>
<b>Current</b>		
Account Receivables	\$ –	\$ 13,959
	<u>\$ –</u>	<u>\$ 13,959</u>

**6. Property, Plant and Equipment**

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Vehicles	\$ –	\$ 121,413	5 years
Startup Fees	2,500		5 years
Office equipment and furniture and fixtures	43,914	2,305	5 years
	46,414	123,718	
Less: accumulated depreciation	43,914	72,543	
Total, net of accumulated depreciation	<u>\$ 2,500</u>	<u>\$ 51,175</u>	

**7. Accrued and Other Liabilities**

	<u>2024</u>	<u>2023</u>
<b>Current</b>		
Accrued expenses	\$ 270,338	\$ 100,566
	<u>\$ 270,338</u>	<u>\$ 100,566</u>

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

## Notes to Consolidated Statements

**8. Long-term debt**

	<u>2024</u>	<u>2023</u>
Notes payable / Chattel mortgage	\$ 1,346,544	\$ 34,540
Less: current portion	550,000	–
Long-term debt - non-current position	<u>\$ 796,544</u>	<u>\$ 34,540</u>

Maturities of long-term debt at December 31, 2024 for each of the next five years and in the aggregate, are as follows:

	<u>2024</u>	<u>2023</u>
Next 12 months	\$ 550,000	\$ 34,540
2 years	550,000	–
3 years	246,544	–
4 years	–	–
	<u>\$ 1,346,544</u>	<u>\$ 34,540</u>

**9. Line of credit**

	<u>2024</u>	<u>2023</u>
Business loan	\$ –	\$ 87,344
Business credit card	30,701	2,599
Bank overdraft		31,433
Loan from home loan refinance		519,578
Loan from Finstro	–	42,186
Loan from HSU KUO-HSUN	–	106,425
Working capital loan	170,168	–
Loans from government	143,388	–
Auto loans	13,291	–
Short-term borrowing	137,500	137,500
	<u>\$ 495,048</u>	<u>\$ 927,065</u>

**10. Convertible notes payable and Common stock warrant liability****Fair Value Measurements:**

We measure the fair value of our financial and non-financial assets and liabilities at each reporting date. Fair value is defined as the exchange price at which an asset or liability would be transferred in the principal or most advantageous market in an orderly transaction between market participants as of a measurement date.

Accounting guidance provides an established hierarchy to be used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs; observable inputs are required to be used when available. Observable inputs are those used by market participants to value an asset or liability and are developed based on market data obtained from sources independent of us.

Unobservable inputs are those that reflect our assumptions about factors that market participants would use to value an asset or liability. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1 – Quoted market prices for identical assets or liabilities in active markets at the measurement date;
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active or non-active markets, or other inputs that can be corroborated by observable market data for substantially the full term of an asset or liability; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of an asset or liability, including management's best estimate of the factors that market participants would use in pricing an asset or liability at the measurement date.

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

## Notes to Consolidated Statements

We carry our convertible notes payable and common stock warrant liability at fair value. We carry our other financial instruments at amortized cost; these items include cash, accounts payable, and accrued expenses. The carrying amounts of our cash and cash equivalents, accounts payable, and accrued expenses are considered to be reasonable estimates of their respective fair values due to their short-term nature and, therefore, fair value information is not provided in the following table.

Utilizing the lowest level inputs available under the measurement hierarchy, the fair values of our measured financial instruments comprise the following (we had no Level 1 and 2 financial instruments):

**11. Income Tax Expense**

(a) The components of tax (expense)/income comprise:

	<u>2024</u>	<u>2023</u>
Current tax		
- Australia	\$ —	\$ —
- US	—	—
Total	<u>\$ —</u>	<u>\$ —</u>

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

Profit/(loss) from continuing operations before income tax expense:		
- Australia	\$ 28,409	\$ (73,904)
- US	(1,200,324)	(244,421)
Total	<u>\$ (1,171,915)</u>	<u>\$ (318,326)</u>
Income tax expense/(credit) at statutory rate:		
- Australia	\$ 7,102	\$ (18,476)
- US	(252,068)	(51,328)
Total	<u>\$ (244,966)</u>	<u>\$ (69,805)</u>

On December 22, 2017, new tax reform legislation in the U.S., known as the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law. At December 31, 2023, the Company has not yet completed its accounting assessment for the tax effects of the enactment of the Act; however, as described below, the Company has made a reasonable estimate of the effects on the existing deferred tax balances.

As a result of the lower enacted corporate tax rate, the Company has remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%.

Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of US GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Act. In accordance with SAB 118, the Company has provisionally determined that there is no deferred tax benefit or expense with respect to the remeasurement of certain deferred tax assets and liabilities due to the full valuation allowance against net deferred tax assets. The Company is still analyzing certain aspects of the Act and refining its calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. Additional analysis of the law and the impact to the Company will be performed and any impact will be recorded in the respective quarter in 2023.

**12. Other Comprehensive Earnings**

	<u>2024</u>	<u>2023</u>
Foreign currency translation reserve	\$ 385,328	\$ 192,675

**13. Capital and Leasing Commitments**

There was no capital or leasing expenditure at December 31, 2024.

## SINCERITY APPLIED MATERIALS HOLDINGS CORP.

### Notes to Consolidated Statements

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#### 14. Contingencies

From time to time, we may be a defendant and plaintiff in various legal proceedings arising in the normal course of our business. We are currently not a party to any material legal proceedings or government actions, including any bankruptcy, receivership, or similar proceedings.

In addition, we are not aware of any known litigation or liabilities involving the operators of our properties that could affect our operations. Furthermore, as of the date of this Annual Report, our management is not aware of any proceedings to which any of our directors, officers, or affiliates, or any associate of any such director, officer, affiliate, or security holder is a party adverse to our company or has a material interest adverse to us.

#### 15. Related Party Transactions

##### (a) Subsidiary

AgroShield LLC which is incorporated in in the United States of America is wholly owned subsidiary of Sincerity Applied Materials Holdings Corp.

B D Pacific Pty Ltd which is incorporated in Australia is wholly owned subsidiary of Sincerity Applied Materials Holdings Corp.

Sincerity Australia Pty Ltd which is incorporated in Australia was disposed by Sincerity Applied Materials Holdings Corp on April 8, 2024.

##### (b) Outstanding balances with related parties

The following balances are outstanding at reporting date in relation to transactions with related parties:

	<u>2024</u>		<u>2023</u>
Loan to Stockholder	\$	–	\$ 1,707,586

#### 16. Business Combinations

##### B D Pacific Pty Ltd

On April 1, 2024, we completed our acquisition of B D Pacific Pty Ltd (“B D Pacific”) for a total purchase price of \$300,000 cash plus the issuance of 3,027,272 newly issued shares at US\$0.11 per share, resulting in we gain 100% ownership of B D Pacific. The total purchase price is US\$633,000.

The acquisition will accelerate the growth in our business. The financial results of B D Pacific have been included in our consolidated financial statements since the date of the acquisition.

Following is the net impact of the B D Pacific acquisition on our consolidated income statements since the date of acquisition:

Sales	\$	243,182
Cost of sales	\$	30,785
Operating expenses	\$	<u>17,605</u>
Net profit	\$	194,792

##### AgroShield LLC

On July 8, 2024, we completed our acquisition of AgroShield LLC (“AgroShield”) for a total purchase price of the issuance of 49,000,000 newly issued shares at US\$0.006 per share, resulting in we gain 100% ownership of AgroShield. The total purchase price is US\$294,000.

The acquisition will accelerate the growth in our business. The financial results of AgroShield have been included in our consolidated financial statements since the date of the acquisition.

## SINCERITY APPLIED MATERIALS HOLDINGS CORP.

### Notes to Consolidated Statements

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Following is the net impact of the AgroShield acquisition on our consolidated income statements since the date of acquisition:

Sales	\$	404,361
Cost of sales	\$	401,447
Operating expenses	\$	<u>186,375</u>
Net loss	\$	(183,461)

#### 17. Goodwill

The purchase price allocation as of the date of acquisition was based on a preliminary valuation and is subject to revision as more detailed analyses are completed and additional information about the fair value of assets acquired and liabilities assumed becomes available of AgroShield. There were no assets and liabilities in B D Pacific on acquisition day, therefore the total amount of acquisition consideration is recorded as goodwill.

		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Goodwill	\$	633,000	\$ -

We will test goodwill for impairment annually at the reporting unit level, primarily using a discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital. We believe the use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. As B D Pacific was acquired recently, we believed that there is no impairment at this time.

On March 23, 2025, SINC successfully completed the spin-off of AgroShield, its agricultural solutions subsidiary. The transaction was executed as part of the Company's strategic realignment, allowing AgroShield to operate as an independent entity while SINC focuses on its core business operations, including the commercialization of Quantum Glass filtration technology.

As a result, the goodwill from the acquisition of AgroShield LLC were written off and recognized.

#### 18. Dispositions

On April 10, 2024, Sincerity Australia Pty Ltd was spun off from SINC. All existing businesses and growth from Sincerity Australia Pty Ltd are transferred to B D Pacific Pty Ltd in Adelaide. Melbourne will continue to be the R&D center of SINC. The consideration for the disposal is nil and the loan to Sincerity Australia with the total amount of US\$995,940 is waived as well.

#### 19. 3a-10 Note

On August 20, 2020, SINC has entered into a stock purchase agreement with Simcor (Jiangsu) Materials Technology Ltd ("SMTL"):

- Ms Leping ZHANG (sole director and shareholder of SMTL) will sell her 100% shareholding with 2m ordinary shares to SINC for a consideration of USD2.5m.
- SMTL will issue and sell to SINC 5m ordinary shares for a consideration of USD4.5m.

The Group has issued a USD7m promissory note to the shareholder of SMTL and assigned the debt to Infinity Fund LLC for the same amount of USD7 million subject to the granting of Section 3(a)(10) of the Securities Act of 1933 as described in Note 15(a).

Infinity Fund Canada Ltd (being a Company duly registered under the laws of QUEBEC, CANADA with registered number 1274538-1 and having its registered address at 50 Boulevard Saint-Charles, STE: 26774, Beaconsfield, Quebec H9W 5J9) and Infinity Fund LLC (Wyoming Company with Registration Number 2015-000681512 and having its registered address at 30 N

Gould St. STE N, Sheridan, WY 82801) transferred certain shares held by them to Nebula Fund Pty Ltd (being a Company duly registered under the laws of the AUSTRALIA with registered number 675 440 105 and having its registered address at 14 Wilsden Street, Walkerville, SA, 5081, Australia).

**SINCERITY APPLIED MATERIALS HOLDINGS CORP.**

## Notes to Consolidated Statements

The following shall comprise the Shares:

Company Name	Number of Shares	Class of Shares	Face Value	% Paid Up	Those Securities Numbered
Sincerity Applied Material Holdings	1,052,000	Common	\$115,614	100%	Book
Sincerity Applied Material Holdings	3(a)10 Note	Common	\$9,147,611	100%	In TA Book

**20. Events After the Reporting Period**

In accordance with ASC Topic 855, "Subsequent Events", which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before consolidated financial statements are issued, the Company has evaluated all events or transactions that occurred after December 31, 2024, up through the date the Company issued the audited consolidated financial statements.

There has not arisen in the interval between the end of the financial period and the date of these financial statements any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operation of the company, the results of those operations, or the state of affairs of the company, in future financial years, except for:

(a) Termination of Borders Consulting Agreement

On January 6, 2025, Sincerity Applied Materials Holdings Corp. ("SINC" or the "Company") entered into an agreement with Borders Consulting, represented by Daniel Borders. Under Section 6: Representations and Warranties, Borders explicitly guaranteed 100% performance and committed to refunding, in full, any compensation received should he fail to deliver the agreed-upon services.

As part of the agreement, SINC compensated Borders with \$20,000 in cash and 77,311,247 shares of SINC common stock. However, Borders failed to perform any of the contracted services and did not provide any tangible results. Furthermore, the Company discovered that Borders had misused the funds provided by SINC and attempted to engage in unauthorized and questionable business dealings in collaboration with Jordan LeMire (also known as "Technical Sniper" on X.com).

As a result, SINC terminated its agreement with Borders on February 14, 2025. Despite his prior contractual commitment, Borders failed to return the compensation received, including both the cash payment and the shares. Following his termination, Borders has ceased all communication and has not fulfilled his obligation to refund SINC as stipulated in the agreement.

The Company is evaluating its legal options to recover the misappropriated funds and shares.

(b) Spin-Off of AgroShield

On March 23, 2025, SINC successfully completed the spin-off of AgroShield, its agricultural solutions subsidiary. The transaction was executed as part of the Company's strategic realignment, allowing AgroShield to operate as an independent entity while SINC focuses on its core business operations, including the commercialization of Quantum Glass filtration technology.

As a result of the spin-off, SINC has divested its ownership interest in AgroShield, and the newly separated entity will now pursue independent growth opportunities. The spin-off is expected to enhance shareholder value by allowing both companies to focus on their respective markets and growth strategies.