TSAKER

Tsaker New Energy Tech Co., Limited
彩客新能源科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1986)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 AND PROPOSED CHANGE OF AUDITOR

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024, revenue of the Group amounted to approximately RMB2,157.0 million, representing an increase of approximately RMB91.5 million or approximately 4.4% as compared with that in the same period of 2023.

- For the year ended 31 December 2024, gross profit of the Group amounted to approximately RMB215.2 million, representing a decrease of approximately RMB103.4 million or approximately 32.5% as compared with that in the same period of 2023.

- For the year ended 31 December 2024, net loss of the Group amounted to approximately RMB1.5 million, representing a decrease of approximately RMB46.7 million or approximately 103.3% as compared with the net profit of approximately RMB45.2 million for the same period of 2023.

- For the year ended 31 December 2024, basic and diluted loss per share attributable to ordinary equity owners of the parent amounted to approximately RMB0.02, representing a decrease of approximately RMB0.05 or approximately 166.7% as compared with the basic and diluted earnings per share attributable to ordinary equity owners of the parent of approximately RMB0.03 for the same period of 2023.

- The Board recommended the declaration of a final dividend of RMB0.025 per ordinary share for the year ended 31 December 2024, subject to the Shareholders' approval at the AGM. Assuming the final dividend is approved at the AGM, together with the interim dividend of RMB0.005 per ordinary share and the special dividend of RMB0.025 per ordinary share for the six months ended 30 June 2024, the dividends in aggregate for the year ended 31 December 2024 will amount to RMB0.055 per ordinary share.

The board (the "**Board**") of directors (the "**Director(s)**") of Tsaker New Energy Tech Co., Limited (the "**Company**" or "**We**") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**" or the "**Review Year**") together with the comparative figures for the year ended 31 December 2023 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**2,156,955**	2,065,474
Cost of sales		**(1,941,794)**	(1,746,838)
Gross profit		**215,161**	318,636
Other income and gains	5	**12,615**	29,289
Selling and distribution expenses		**(25,829)**	(44,219)
Administrative expenses		**(158,190)**	(178,301)
Other expenses		**(5,411)**	(12,892)
Impairment losses on property, plant and equipment	11	**–**	(14,046)
Impairment loss on investment in an associate		**–**	(758)
Finance costs	6	**(38,332)**	(33,028)
Share of loss of an associate		**–**	(110)
Exchange gains/(losses), net		**362**	(4,971)
PROFIT BEFORE TAX	7	**376**	59,600
Income tax expense	8	**(1,862)**	(14,407)
(LOSS)/PROFIT FOR THE YEAR		**(1,486)**	45,193
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		**2,649**	4,466
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Equity investments designated at fair value through other comprehensive income ("FVOCI")		**(8,159)**	1,454
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(5,510)**	5,920
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(6,996)**	51,113

	Notes	**2024** *RMB'000*	2023 *RMB'000*
(Loss)/Profit attributable to:			
Owners of the parent		**(21,098)**	29,061
Non-controlling interests		**19,612**	16,132
		(1,486)	45,193
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(26,608)**	34,981
Non-controlling interests		**19,612**	16,132
		(6,996)	51,113
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)	*10*	**(0.02)**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**1,659,553**	1,725,269
Right-of-use assets	*12(a)*	**85,003**	89,582
Equity investments designated at FVOCI	*13*	**24,150**	32,309
Financial assets at fair value through profit or loss ("**FVPL**")	*19*	**14,960**	25,183
Intangible assets	*14*	**5,568**	6,850
Deferred tax assets		**116,955**	67,449
Other non-current assets		**38,919**	39,530
Total non-current assets		**1,945,108**	1,986,172
CURRENT ASSETS			
Inventories	*15*	**273,091**	285,326
Trade receivables	*16*	**283,864**	342,512
Notes receivable	*17*	**690,380**	399,501
Prepayments and other receivables	*18*	**47,171**	69,279
Financial assets at FVPL	*19*	**906**	12,879
Restricted cash	*20*	**140**	70,586
Cash and cash equivalents	*20*	**266,789**	287,441
Total current assets		**1,562,341**	1,467,524
CURRENT LIABILITIES			
Trade and bills payables	*21*	**387,038**	472,614
Other payables and accruals		**584,617**	277,648
Contract liabilities		**10,216**	11,173
Interest-bearing bank and other borrowings	*22*	**190,421**	277,444
Income tax payable		**8,825**	19,347
Current portion of long-term borrowings	*22*	**16,148**	21,650
Other current liabilities	*23*	**2,747**	60,286
Total current liabilities		**1,200,012**	1,140,162
NET CURRENT ASSETS		**362,329**	327,362
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,307,437**	2,313,534

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES			
Deferred income		**6,229**	8,163
Deferred tax liabilities		**6,154**	7,732
Interest-bearing bank and other borrowings	*22*	**1,842**	18,058
Lease liabilities	*12(b)*	**–**	232
Other non-current liabilities	*24*	**340,157**	224,518
Total non-current liabilities		**354,382**	258,703
Net assets		**1,953,055**	2,054,831
EQUITY			
Equity attributable to owners of the parent			
Share capital	*25*	**63,402**	65,346
Treasury shares		**(10,438)**	(16,513)
Reserves		**1,711,941**	1,846,641
		1,764,905	1,895,474
Non-controlling interests		**188,150**	159,357
Total equity		**1,953,055**	2,054,831

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent											
	Share capital	Treasury shares	Share premium	Capital reserve	Safety production fund	Statutory reserve	Fair value reserve of equity investments at FVOCI	Translation reserve	Retained profits	Total	Non – controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	65,346	(16,513)	164,738	(47,645)	76,236	142,261	(10,735)	54,301	1,467,485	1,895,474	159,357	2,054,831
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(21,098)	(21,098)	19,612	(1,486)
Other comprehensive income for the year	-	-	-	-	-	-	(8,159)	2,649	-	(5,510)	-	(5,510)
Total comprehensive income for the year	-	-	-	-	-	-	(8,159)	2,649	(21,098)	(26,608)	19,612	(6,996)
Repurchase of own shares	-	(20,019)	-	-	-	-	-	-	-	(20,019)	-	(20,019)
Deregistration of subsidiaries	-	-	-	-	-	(26,778)	-	-	26,778	-	-	-
Dividend distributed to shareholders *(Note 9)*	-	-	(67,398)	-	-	-	-	-	-	(67,398)	(7,363)	(74,761)
Disposal of partial interest in a subsidiary**	-	-	-	(16,544)	-	-	-	-	-	(16,544)	16,544	-
Transfer to statutory reserve	-	-	-	-	-	24,037	-	-	(24,037)	-	-	-
Appropriation to safety production fund	-	-	-	-	7,113	-	-	-	(7,113)	-	-	-
Cancellation of own shares	(1,944)	26,094	(24,150)	-	-	-	-	-	-	-	-	-
At 31 December 2024	63,402	(10,438)	73,190*	(64,189)*	83,349*	139,520*	(18,894)*	56,950*	1,442,015*	1,764,905	188,150	1,953,055

* These reserve accounts comprise the consolidated reserves of RMB1,711,941,000 and RMB1,846,641,000 in the consolidated statement of financial position as at 31 December 2024 and 31 December 2023, respectively.

** In November 2024, Tsaker Chemical (Hong Kong) Company Limited ("**Tsaker Hong Kong**") (a direct wholly-owned subsidiary of the Company) sold to several independent investors a total of 2,389,432 shares in Hebei Tsaker New Materials Technology Company Limited ("**Tsaker Technology**") (an indirect non-wholly-owned subsidiary of the Company), representing an aggregate of approximately 3.76% equity interests in Tsaker Technology, at an aggregate consideration of approximately RMB39,975,000. Pursuant to the share transfer agreement, in the event that Tsaker Technology fails to consummate a proposed listing on the Beijing Stock Exchange by 31 December 2027, each of the purchasers shall have a repurchase right to require Tsaker Hong Kong (or its designated third party other than Tsaker Technology) to repurchase all or part of its respective shares in Tsaker Technology acquired at a pre-determined repurchase price. Directors of the Company are of the opinion that the repurchase rights agreed in the above-mentioned transactions lead to contractual obligations to deliver cash or another financial asset to other entities and accounted for the considerations received from the independent investors as financial liabilities (note 24). Non-controlling interests were recognised at the proportionate share of Tsaker Technology's net assets at the transaction date.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2024

	Attributable to owners of the parent											
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Safety production fund *RMB'000*	Statutory reserve *RMB'000*	Fair value reserve of equity investments at FVOCI *RMB'000*	Translation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non – controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2023	65,807	(4,467)	261,159	9,405	71,069	136,274	(12,189)	49,835	1,460,578	2,037,471	62,488	2,099,959
Profit for the year	–	–	–	–	–	–	–	–	29,061	29,061	16,132	45,193
Other comprehensive income for the year	–	–	–	–	–	–	1,454	4,466	–	5,920	–	5,920
Total comprehensive income for the year	–	–	–	–	–	–	1,454	4,466	29,061	34,981	16,132	51,113
Repurchase of own shares	–	(19,663)	–	–	–	–	–	–	–	(19,663)	–	(19,663)
Deregistration of a subsidiary	–	–	–	–	–	(274)	–	–	274	–	–	–
Disposal of partial interest in a subsidiary***	–	–	–	(18,896)	–	–	–	–	–	(18,896)	18,896	–
Transfer of reserve upon a subsidiary's capital movement	–	–	–	11,000	–	(11,000)	–	–	–	–	–	–
Dividend distributed to shareholders *(Note 9)*	–	–	(89,265)	–	–	–	–	–	–	(89,265)	(5,313)	(94,578)
Deem disposal of partial interest in a subsidiary****	–	–	–	(49,154)	–	–	–	–	–	(49,154)	67,154	18,000
Transfer to statutory reserve	–	–	–	–	–	17,261	–	–	(17,261)	–	–	–
Appropriation to safety production fund	–	–	–	–	5,167	–	–	–	(5,167)	–	–	–
Cancellation of own shares	(461)	7,617	(7,156)	–	–	–	–	–	–	–	–	–
At 31 December 2023	65,346	(16,513)	164,738*	(47,645)*	76,236*	142,261*	(10,735)*	54,301*	1,467,485*	1,895,474	159,357	2,054,831

*** In June 2023, Tsaker Hong Kong sold to several independent investors a total of 3,886,924 shares in Tsaker Technology, representing an aggregate of approximately 6.12% equity interests in Tsaker Technology, at an aggregate consideration of approximately RMB55,000,000. Pursuant to the share transfer agreement, in the event that Tsaker Technology fails to consummate a proposed listing on the Beijing Stock Exchange by 31 December 2024, each of the purchasers shall have a repurchase right to require Tsaker Hong Kong to repurchase all or part of its respective sale shares in Tsaker Technology at a pre-determined repurchase price. Directors of the Company are of the opinion that the repurchase rights agreed in the above-mentioned transactions lead to contractual obligations to deliver cash or another financial asset to other entities and accounted for the considerations received from the independent investors as financial liabilities. Non-controlling interests were recognised at the proportionate share of Tsaker Technology's net assets at the transaction date.

**** In March and April 2023, several independent investors agreed to inject an aggregate amount of RMB229,000,000 into Shandong Tsaker New Materials Co., Ltd. ("**Shandong TNM**"), an indirect wholly-owned subsidiary of the Company, by way of cash contribution in return for approximately 9.84% equity interests in aggregate in the enlarged registered capital of Shandong TNM. Pursuant to the shareholders' agreements entered into for the above capital injection transactions, each of the independent investors (except an employee shareholding platform established by certain employees of Shandong TNM and its subsidiary) shall have repurchase rights to require Shandong TNM and/or Mr. GE Yi and/or Shandong TNM's immediate holding company to repurchase its equity interest in Shandong TNM at a pre-determined repurchase price at any time on or after the occurrence of any trigger events defined in the shareholders' agreements. Directors of the Company are of the opinion that the repurchase rights agreed in the above-mentioned transactions lead to contractual obligations to deliver cash or another financial asset to other entities and accounted for the considerations received from the independent investors as financial liabilities. Non-controlling interests were recognised at the proportionate share of Shandong TNM Group's net assets at the transaction date.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**376**	59,600
Adjustments for:			
Finance costs	*6*	**38,332**	33,028
Exchange losses/(gains), net		**437**	(502)
Interest income	*5*	**(1,997)**	(2,911)
Dividend income from equity investments at FVOCI and FVPL	*5*	**(118)**	(30)
Loss on disposal of items of property, plant and equipment	*7*	**2,023**	5,060
Fair value losses of financial assets at FVPL	*5*	**2,397**	8,877
Depreciation of property, plant and equipment	*11*	**163,863**	153,452
Depreciation of right-of-use assets	*12(a)*	**4,579**	3,885
Amortisation of intangible assets	*14*	**1,282**	1,337
Amortisation of deferred income		**(1,934)**	(2,286)
Share of loss of an associate		**–**	110
Impairment loss of an associate		**–**	758
Impairment of trade receivables	*16*	**1,395**	736
(Reversal)/Provision of impairment of other receivables	*7*	**(549)**	6,193
Impairment of property, plant and equipment	*11*	**–**	14,046
Write-down of inventories to net realisable value	*7*	**13,782**	19,792
		223,868	301,145
Increase in inventories		**(1,547)**	(32,359)
Decrease/(Increase) in trade receivables		**57,257**	(129,509)
Increase in notes receivable		**(306,238)**	(75,909)
Decrease in prepayments and other receivables		**35,719**	10,476
(Decrease)/Increase in trade payables		**(45,588)**	139,454
Increase/(Decrease) in other payables and accruals		**272,939**	(98,483)
(Decrease)/Increase in contract liabilities		**(957)**	6,715
Decrease/(Increase) in restricted cash		**14,465**	(7,524)
Cash generated from operations		**249,918**	114,006
Interest received		**1,997**	2,911
Interest paid		**(10,737)**	(18,467)
Income tax paid		**(67,263)**	(52,271)
Net cash flows from operating activities		**173,915**	46,179

	Notes	**2024** **RMB'000**	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from equity investments at FVOCI and FVPL	*5*	**118**	30
Proceeds from disposal of financial assets at FVPL		**45,393**	20,529
Purchases of items of property, plant and equipment		**(109,656)**	(72,436)
Purchases of intangible assets		**–**	(616)
Proceeds from disposal of items of property, plant and equipment		**2,156**	238
Purchase of financial assets at FVPL		**(25,594)**	(25,730)
Other cash flows from/(used in) investing activities		**55,981**	(55,981)
Net cash flows used in investing activities		**(31,602)**	(133,966)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans and other borrowings		**209,100**	355,759
Repurchase of own shares		**(20,019)**	(19,663)
Repayment of bank loans and other borrowings		**(316,308)**	(338,025)
Principal portion of lease liabilities		**(515)**	(548)
Dividend paid		**(74,761)**	(94,578)
Disposal of partial interest in a subsidiary		**39,975**	55,000
Deemed disposal of partial interest in a subsidiary		**–**	229,000
Other cash flows used in financing activities		**–**	(1,288)
Net cash flows (used in)/from financing activities		**(162,528)**	185,657
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(20,215)**	97,870
Cash and cash equivalents at beginning of year	*20*	**287,441**	189,069
Effect of foreign exchange rate changes, net		**(437)**	502
CASH AND CASH EQUIVALENTS AT END OF YEAR	*20*	**266,789**	287,441

NOTES TO FINANCIAL STATEMENTS
31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- manufacture and sale of battery materials
- manufacture and sale of dye and agricultural chemical intermediates
- manufacture and sale of pigment intermediates and new materials

In the opinion of the Directors, the controller of the Company is Mr. GE Yi.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and notes receivable which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognise the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of the implementation of the amendments, the Group has provided additional disclosures about its supplier finance arrangements in Note 24 and Note 39 to the financial statements in the annual report to be released.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has three (2023: three) reportable operating segments as follows:

(a) the battery materials segment engages in the manufacture and sale of battery materials;

(b) the dye and agricultural chemical intermediates segment produces dye intermediate products for use in the production of dye related products and products for use in the production of agricultural chemicals; and

(c) the pigment intermediates and new materials segment produces pigment intermediate products for the use in the production of pigments and monomer for production of new material products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated mainly based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs and other unallocated expenses of the Company and corporate expenses are excluded from such measurement.

The measurement of segment assets and liabilities is the same as that of the total assets and total liabilities for the consolidated statement of financial position, excluding unallocated corporate assets and liabilities, as these assets and liabilities are managed on a group basis.

Year ended 31 December 2024	Battery materials *RMB'000*	Dye and agricultural chemical intermediates *RMB'000*	Pigment intermediates and new materials *RMB'000*	Total segments *RMB'000*
Segment revenue *(Note 5)*:				
Revenues from external customers	**753,960**	**948,568**	**454,427**	**2,156,955**
Intersegment sales	**–**	**10,291**	**–**	**10,291**
Total segment revenue	**753,960**	**958,859**	**454,427**	**2,167,246**
Reconciliation				
Elimination of intersegment sales				**(10,291)**
Revenue				**2,156,955**
Segment results	**(189,806)**	**91,003**	**136,732**	**37,929**
Including:				
Interest income	**1,035**	**41,992**	**464**	**43,491**
Finance costs	**(50,512)**	**(7,957)**	**(1,334)**	**(59,803)**
Reconciliation				
Interest income				**106**
Finance costs				**(4,875)**
Elimination of intersegment results				**(12,774)**
Corporate and other unallocated expenses				**(20,010)**
Profit before tax				**376**
Segment assets	**1,846,888**	**1,542,634**	**540,770**	**3,930,292**
Reconciliation				
Elimination of intersegment receivables				**(603,564)**
Corporate and other unallocated assets				**195,134**
Elimination of inventories and property, plant and equipment due to unrealised gains				**(14,413)**
Total assets				**3,507,449**
Segment liabilities	**1,570,702**	**382,257**	**100,766**	**2,053,725**
Reconciliation				
Elimination of intersegment payables				**(603,564)**
Corporate and other unallocated liabilities				**104,233**
Total liabilities				**1,554,394**
Other segment information				
Impairment losses recognised in profit or loss	**6,163**	**8,212**	**253**	**14,628**
Depreciation and amortisation*	**84,935**	**59,783**	**19,076**	**163,794**
Capital expenditure**	**48,579**	**25,066**	**24,537**	**98,182**

Year ended 31 December 2023	Battery materials *RMB'000*	Dye and agricultural chemical intermediates *RMB'000*	Pigment intermediates and new materials *RMB'000*	Total segments *RMB'000*
Segment revenue *(Note 5)*:				
Revenues from external customers	498,646	1,189,868	376,960	2,065,474
Intersegment sales	–	10,730	–	10,730
Total segment revenue	498,646	1,200,598	376,960	2,076,204
Reconciliation				
Elimination of intersegment sales				(10,730)
Revenue				2,065,474
Segment results	(180,149)	175,482	101,831	97,164
Including:				
Interest income	1,766	533	2,629	4,928
Finance costs	(18,542)	(14,151)	(1,663)	(34,356)
Reconciliation				
Interest income***				(2,017)
Finance costs***				1,328
Elimination of intersegment results				(2,794)
Corporate and other unallocated expenses				(34,081)
Profit before tax				59,600
Segment assets	1,652,186	1,604,179	459,843	3,716,208
Reconciliation				
Elimination of intersegment receivables				(492,485)
Corporate and other unallocated assets				231,613
Elimination of inventories due to unrealised gains				(1,640)
Total assets				3,453,696
Segment liabilities	1,235,407	467,583	111,972	1,814,962
Reconciliation				
Elimination of intersegment payables				(492,485)
Corporate and other unallocated liabilities				76,388
Total liabilities				1,398,865
Other segment information				
Impairment losses recognised in profit or loss	31,508	8,040	1,219	40,767
Depreciation and amortisation*	78,246	59,009	19,076	156,331
Capital expenditure**	64,409	57,886	46,494	168,789

* Partial depreciation and amortisation of the Group are included in corporate and other unallocated expense.

** Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

*** Interest income and finance costs under reconciliation include interest income and finance costs from corporate and unallocated parts with segments.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**1,827,395**	1,697,131
India	**142,880**	125,031
Germany	**30,219**	39,624
Indonesia	**29,847**	53,294
United States	**26,008**	20,231
Japan	**24,323**	16,664
Switzerland	**22,499**	962
Taiwan, China	**16,865**	26,500
Spain	**15,840**	28,873
Brazil	**10,204**	40,426
Pakistan	**3,953**	3,077
Morocco	**2,478**	1,664
Türkiye	**2,122**	10,269
Other countries/regions	**2,322**	1,728
Total revenue	**2,156,955**	2,065,474

The revenue information above is based on the locations of the customers.

The Group's non-current assets are substantially located in Mainland China.

Information about major customers

In 2024, revenue of approximately RMB300,776,000 was derived from sales from the battery materials segment to a single customer.

In 2023, revenue of approximately RMB228,274,000 was derived from sales from the dye and agricultural chemical intermediates segment to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue of the Group for the year ended 31 December 2024 and 2023 was all revenue from contracts with customers.

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	**Batteryy materials** *RMB'000*	**Dye and agricultural chemical intermediates** *RMB'000*	**Pigment intermediates and new materials** *RMB'000*	**Total** *RMB'000*
Types of goods or services				
Sale of goods	**753,960**	**948,568**	**454,427**	**2,156,955**
Total	**753,960**	**948,568**	**454,427**	**2,156,955**
Geographical markets				
Mainland China	**753,845**	**810,554**	**262,996**	**1,827,395**
India	**–**	**28,519**	**114,361**	**142,880**
Germany	**–**	**29,499**	**720**	**30,219**
Indonesia	**–**	**29,847**	**–**	**29,847**
United States	**–**	**800**	**25,208**	**26,008**
Japan	**–**	**–**	**24,323**	**24,323**
Switzerland	**–**	**–**	**22,499**	**22,499**
Taiwan, China	**115**	**16,736**	**14**	**16,865**
Spain	**–**	**15,840**	**–**	**15,840**
Brazil	**–**	**10,204**	**–**	**10,204**
Pakistan	**–**	**3,953**	**–**	**3,953**
Morocco	**–**	**–**	**2,478**	**2,478**
Türkiye	**–**	**2,122**	**–**	**2,122**
Other countries/regions	**–**	**494**	**1,828**	**2,322**
Total	**753,960**	**948,568**	**454,427**	**2,156,955**
Timing of revenue recognition				
Goods transferred at a point in time	**753,960**	**948,568**	**454,427**	**2,156,955**
Total	**753,960**	**948,568**	**454,427**	**2,156,955**

For the year ended 31 December 2023

Segments	Batteryy materials *RMB'000*	Dye and agricultural chemical intermediates *RMB'000*	Pigment intermediates and new materials *RMB'000*	Total *RMB'000*
Types of goods or services				
Sale of goods	498,646	1,189,868	376,960	2,065,474
Total	498,646	1,189,868	376,960	2,065,474
Geographical markets				
Mainland China	498,646	974,173	224,312	1,697,131
India	–	12,493	112,538	125,031
Indonesia	–	53,294	–	53,294
Brazil	–	40,426	–	40,426
Germany	–	39,624	–	39,624
Spain	–	28,873	–	28,873
Taiwan, China	–	26,494	6	26,500
United States	–	–	20,231	20,231
Japan	–	–	16,664	16,664
Türkiye	–	10,269	–	10,269
Pakistan	–	3,033	44	3,077
Morocco	–	–	1,664	1,664
Switzerland	–	–	962	962
Other countries/regions	–	1,189	539	1,728
Total	498,646	1,189,868	376,960	2,065,474
Timing of revenue recognition				
Goods transferred at a point in time	498,646	1,189,868	376,960	2,065,474
Total	498,646	1,189,868	376,960	2,065,474

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**10,862**	4,048
Total	**10,862**	4,048

(b) ***Performance obligations***

Information about the Group's performance obligations is summarised below:

Sale of goods, including chemical intermediates, battery materials

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers and small-sized customers, where payment in advance is normally required.

Other income and gains

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**1,997**	2,911
Dividend income from equity investments at FVOCI and financial assets at FVPL	**118**	30
Fair value losses and disposal gains and losses, net:		
Financial assets at FVPL	**(2,397)**	(8,877)
Government grants*	**9,453**	32,772
Others	**3,444**	2,453
Total	**12,615**	29,289

* For the year ended 31 December 2024, government grants amounting to approximately RMB9,453,000 (2023: approximately RMB32,772,000) were recognised as income for the year necessary to compensate the costs and facilitate the Group's development. There are no unfulfilled conditions or contingencies attached to the grants.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings and other non-current liability	**34,615**	28,837
Interest on lease liabilities	**20**	33
Other finance costs	**3,697**	4,158
Total	**38,332**	33,028

No interest expense was capitalised for the years ended 31 December 2024 and 2023.

7. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Notes	**2024** **RMB'000**	2023 RMB'000
Cost of inventories sold		**1,941,794**	1,746,838
Depreciation of property, plant and equipment	*11*	**163,863**	153,452
Depreciation of right-of-use assets	*12(a)*	**4,579**	3,885
Amortisation of intangible assets	*14*	**1,282**	1,337
Research and development costs		**22,650**	39,460
Lease payments not included in the measurement of lease liabilities	*12(c)*	**1,335**	916
Auditor's remuneration		**2,250**	2,250
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages, salaries and welfare		**171,867**	160,393
Pension and other social insurances **		**50,494**	46,959
Total		**222,361**	207,352
Exchange (gains)/losses, net		**(362)**	4,971
Dividend income from equity investments at FVOCI and financial assets at FVPL	*5*	**(118)**	(30)
Impairment losses of an investment in an associate		**–**	758
Impairment losses on property, plant and equipment	*11*	**–**	14,046
Loss on disposal of items of property, plant and equipment *		**2,023**	5,060
Impairment of trade receivables *	*16*	**1,395**	736
(Reversal)/provision of impairment of other receivables *		**(549)**	6,193
Write-down of inventories to net realisable value ***		**13,782**	19,792
Fair value losses and disposal gains and losses on financial assets at FVPL	*5*	**2,397**	8,877
Share of loss of an associate		**–**	110
Bank interest income	*5*	**(1,997)**	(2,911)

* These losses and expenses were recorded as other expenses to the consolidated financial statements.

** There were no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. No forfeited contributions were also available at 31 December 2024 and 2023 for the Group to reduce contribution payables in future years, if applicable.

*** Write-down of inventories to net realisable value is included in "Cost of inventories sold" above and "Cost of sales" in the consolidated statement of profit and loss and other comprehensive income.

8. INCOME TAX

Cayman Islands

Under the current income tax laws of the Cayman Islands, the Company is not subject to tax on any income or capital gain.

Hong Kong

Under the current income tax laws of Hong Kong, companies are subject to Hong Kong profits tax at 16.5% on assessable profits arising in or derived from Hong Kong. One subsidiary of the Group is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Singapore

Under the current income tax laws of Singapore, companies are subject to Singapore profits tax at 17.0% on assessable profits arising in or derived from Singapore.

Mainland China

The Company's subsidiaries in Mainland China are subject to income tax at 25% unless otherwise specified as follows:

(a) Tsaker Technology, a non-wholly-owned subsidiary of the Company, is subject to corporate income tax at the rate of 15% from 2022 to 2024, after being assessed as a high and new technology enterprise.

(b) Tsaker Dongao (Hainan) Technology Co., Limited, a wholly-owned subsidiary of the Company, was established in the Hainan Free Trade Post and was subject to the applicable enterprise income tax rate of 15%. The subsidiary was deregistered during the reporting period.

Under the prevailing PRC Corporate Income Tax Law and the relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiary are subject to a 5% or 10% PRC dividend withholding tax, depending on the applicability of the Sino-Hong Kong tax treaty. For the Group, the historical applicable rate is 5%. The Group is therefore liable for withholding taxes on retained earnings distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

	2024	2023
	RMB'000	*RMB'000*
Current –Mainland China		
Charge for the year	**46,147**	51,613
Underprovision/(Overprovision) in prior years	**603**	(463)
Current – Elsewhere	**6,196**	6,233
Deferred	**(51,084)**	(42,976)
Total tax charge for the year	**1,862**	14,407

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for Mainland China, in which the majority of the Company's subsidiaries are domiciled, to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**376**	59,600
Tax at the statutory income tax rate (25%)	**94**	14,900
Tax effects of different tax rates	**–**	(146)
Effect of preferential income tax rates applicable to certain subsidiaries	**(13,980)**	(11,106)
Non-deductible expenses	**2,000**	2,366
Income not subject to tax	**(761)**	(1,592)
Additional deduction of research and development costs and qualified assets	**(4,108)**	(8,152)
Adjustments in respect of current tax of previous periods	**603**	(463)
Temporary differences (including tax losses) not recognised	**13,443**	15,150
Withholding tax	**4,571**	5,253
Tax losses utilised from previous periods	**–**	(1,803)
Total income tax expense	**1,862**	14,407

9. DIVIDENDS

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Interim dividend and interim special dividend approved and paid of RMB0.030 per ordinary share (2023: RMB0.029)	*(a)*	**29,562**	29,365
Final dividend proposed after the end of the reporting period of RMB0.025 per ordinary share (2023: RMB0.038)	*(b)*	**24,635**	38,479
		54,197	67,844

(a) On 13 August 2024, the Board declared an interim dividend of RMB0.005 per ordinary share (the "**Interim Dividend**") (six months ended 30 June 2023: RMB0.029 per ordinary share) and an interim special dividend of RMB0.025 per share (the "**Interim Special Dividend**") (six months ended 30 June 2023: Nil), amounting to the total Interim Dividend of approximately RMB4,978,000 (six months ended 30 June 2023: approximately RMB29,443,000) and the total Interim Special Dividend of approximately RMB24,892,000 (six months ended 30 June 2023: Nil). Taking into account of the subsequent share cancellation after 30 June 2024 of 10,275,000 shares, the total amount of the Interim Dividend and the Interim Special Dividend actually paid amounted to approximately RMB4,927,000 and RMB24,635,000 respectively.

(b) The Directors proposed a final dividend of RMB0.025 (2023: RMB0.038) per ordinary share in respect of the year ended 31 December 2024, amounting to a total of approximately RMB24,635,000 (2023: approximately RMB38,479,000). The proposed dividend was not recognised as a liability as at the end of the reporting period, since it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend proposed amount was calculated based on the issued and fully paid shares of the Company as at 31 December 2024. Taking into account of the subsequent share cancellation of approximately 14,483,000 shares after 31 December 2024, the total amount of final dividend amounted to approximately RMB24,273,000.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 986,129,000 (2023: 1,010,136,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculations of basic and diluted (loss)/earnings per share are based on:

	2024	2023
(LOSS)/EARNINGS		
(Loss)/profit for the year attributable to ordinary equity holders of the parent (RMB'000)	**(21,098)**	29,061
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation ('000)	**986,129**	1,010,136

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Machinery and equipment *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
At 31 December 2023 and 1 January 2024:						
Cost	1,096,587	1,355,319	23,165	6,874	63,656	2,545,601
Accumulated depreciation and impairment	(228,097)	(565,178)	(20,628)	(4,332)	(2,097)	(820,332)
Net carrying amount	868,490	790,141	2,537	2,542	61,559	1,725,269
At 1 January 2024, net of accumulated depreciation and impairment	868,490	790,141	2,537	2,542	61,559	1,725,269
Additions	2,607	14,067	1,262	2,305	82,085	102,326
Disposals	(899)	(2,774)	(25)	(481)	–	(4,179)
Depreciation provided during the year	(54,714)	(104,794)	(2,752)	(1,603)	–	(163,863)
Transfers	19,727	74,526	–	–	(94,253)	–
At 31 December 2024, net of accumulated depreciation and impairment	835,211	771,166	1,022	2,763	49,391	1,659,553
At 31 December 2024:						
Cost	1,117,672	1,423,467	24,261	8,780	51,488	2,625,668
Accumulated depreciation and impairment	(282,461)	(652,301)	(23,239)	(6,017)	(2,097)	(966,115)
Net carrying amount	835,211	771,166	1,022	2,763	49,391	1,659,553

	Buildings *RMB'000*	Machinery and equipment *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
At 1 January 2023:						
Cost	1,044,462	1,305,447	18,596	7,271	69,926	2,445,702
Accumulated depreciation and impairment	(179,239)	(469,093)	(17,928)	(3,691)	(13,778)	(683,729)
Net carrying amount	865,223	836,354	668	3,580	56,148	1,761,973
At 1 January 2023, net of accumulated depreciation and impairment	865,223	836,354	668	3,580	56,148	1,761,973
Additions	4,535	41,863	2,594	421	86,679	136,092
Disposals	(1,414)	(3,734)	(125)	(25)	–	(5,298)
Depreciation provided during the year	(50,423)	(96,851)	(4,600)	(1,578)	–	(153,452)
Impairment	–	(12,436)	–	–	(1,610)	(14,046)
Transfers	50,569	24,945	4,000	144	(79,658)	–
At 31 December 2023, net of accumulated depreciation and impairment	868,490	790,141	2,537	2,542	61,559	1,725,269
At 31 December 2023:						
Cost	1,096,587	1,355,319	23,165	6,874	63,656	2,545,601
Accumulated depreciation and impairment	(228,097)	(565,178)	(20,628)	(4,332)	(2,097)	(820,332)
Net carrying amount	868,490	790,141	2,537	2,542	61,559	1,725,269

Impairment assessment in 2023

As at 31 December 2023, since certain construction in progress of the Mononitrotoluene separation and crystallization process test project (the "**Test Project**") would be no longer used, a full impairment provision of approximately RMB1,610,000 was made based on the carrying amount. Besides, certain equipment of Iron Phosphate and the Sodium Methoxide workshop (a workshop of the Pigment intermediate) would be no longer used, full impairment provisions of approximately RMB11,774,000 and approximately RMB662,000 were made against their carrying amounts, respectively.

12. LEASES

The Group as a lessee

Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 50 years, and no ongoing payments will be made under the terms of these land leases. The Group has lease contracts for various items of office premises and apartments for employees used in its operations. The leases of office premises and apartments for employees have lease terms of 2 to 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land *RMB'000*	Office premises and apartments for employees *RMB'000*	Total *RMB'000*
As at 1 January 2023	89,638	168	89,806
Addition	–	3,661	3,661
Depreciation charge	(3,102)	(783)	(3,885)
As at 31 December 2023 and 1 January 2024	86,536	3,046	89,582
Depreciation charge	**(3,182)**	**(1,397)**	**(4,579)**
As at 31 December 2024	**83,354**	**1,649**	**85,003**

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Carrying amount at 1 January	**691**	178
New leases	**–**	1,061
Accretion of interest recognised during the year	**20**	33
Payments	**(535)**	(581)
Carrying amount at 31 December	**176**	691
Analysed into:		
Current portion	**176**	459
Non-current portion	**–**	232

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Interest on lease liabilities	**20**	33
Depreciation charge of right-of-use assets	**4,579**	3,885
Expense relating to short-term leases	**1,335**	916
Total amount recognised in profit or loss	**5,934**	4,834

13. EQUITY INVESTMENTS DESIGNATED AT FVOCI

	2024 *RMB'000*	2023 *RMB'000*
Equity investments designated at FVOCI:		
Unquoted equity investments, at fair value	**24,150**	32,309
Total	**24,150**	32,309

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

In 2024, the Group recognised a loss of approximately RMB8,159,000 in other comprehensive income in relation to the fair value change of equity investments designated at FVOCI (2023: a gain of approximately RMB1,454,000).

14. INTANGIBLE ASSETS

	Software *RMB'000*	Technological know-how *RMB'000*	Total *RMB'000*
At 1 January 2023:			
Cost	3,900	20,554	24,454
Accumulated amortisation	(1,473)	(15,410)	(16,883)
Net carrying amount	2,427	5,144	7,571
Cost at 1 January 2023, net of accumulated amortisation	2,427	5,144	7,571
Additions	616	–	616
Amortisation provided during the year	(535)	(802)	(1,337)
At 31 December 2023	2,508	4,342	6,850
At 31 December 2023			
Cost	4,516	20,554	25,070
Accumulated depreciation and impairment	(2,008)	(16,212)	(18,220)
Net carrying amount	2,508	4,342	6,850
Cost at 1 January 2024, net of accumulated amortisation	**2,508**	**4,342**	**6,850**
Amortisation provided during the year	**(465)**	**(817)**	**(1,282)**
At 31 December 2024	**2,043**	**3,525**	**5,568**
At 31 December 2024:			
Cost	**4,516**	**20,554**	**25,070**
Accumulated depreciation and impairment	**(2,473)**	**(17,029)**	**(19,502)**
Net carrying amount	**2,043**	**3,525**	**5,568**

15. INVENTORIES

	2024 *RMB'000*	2023 *RMB'000*
Raw materials	**31,472**	35,808
Work in progress	**52,701**	56,700
Finished goods	**188,918**	192,818
Total	**273,091**	285,326

16. TRADE RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables	**293,699**	350,952
Impairment	**(9,835)**	(8,440)
Net carrying amount	**283,864**	342,512

The Group's trading terms with its customers are mainly on credit, except for new customers and small-sized customers, where payment in advance is normally required. The credit period is generally one to three months for domestic and overseas customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over certain of its outstanding receivables.

Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

As at 31 December 2024, no trade receivables was pledged as security for the Group's bank loans (31 December 2023: approximately RMB114,378,000).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within 1 month	**124,104**	272,758
1 month to 2 months	**101,697**	41,383
2 months to 3 months	**43,846**	17,059
3 months to 4 months	**3,546**	2,077
Over 4 months	**10,671**	9,235
Total	**283,864**	342,512

The movement in the loss allowance for impairment of trade receivables is as follows:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of year	**8,440**	7,704
Impairment provided *(note7)*	**1,395**	736
At end of year	**9,835**	8,440

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group recognises that recovery of the amount is remote.

The Group applies the simplified approach to the provision for expected credit losses prescribed by HKFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit loss on trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Within 1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**0.08%**	**3.10%**	**5.73%**	**100.00%**	**–**
Gross carrying amount *(RMB'000)*	**281,408**	**1,872**	**925**	**9,494**	**293,699**
Expected credit losses *(RMB'000)*	**230**	**58**	**53**	**9,494**	**9,835**

As at 31 December 2023

	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
Expected credit loss rate	0.12%	4.11%	8.35%	100.00%	–
Gross carrying amount *(RMB'000)*	339,714	925	2,527	7,786	350,952
Expected credit losses *(RMB'000)*	405	38	211	7,786	8,440

17. NOTES RECEIVABLE

Notes receivable of the Group are bank acceptance notes and are usually settled within six months from their respective dates of issue. None of the notes receivable as at the end of the years ended 31 December 2024 and 2023 was past due or impaired.

Transferred financial assets that are not derecognised: The Group endorsed certain notes receivable accepted by banks in Mainland China (the "**Endorsed Notes**") with aggregate carrying amounts of approximately RMB525,791,000 and RMB223,828,000 as at 31 December 2024 and 2023, respectively, to certain of its suppliers in order to settle trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated other payables. Subsequent to the Endorsement, the Group did not retain any rights to the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. None of the Endorsed Notes settled during the year have been recoursed as at the end of the year.

Transferred financial assets that are derecognised: The Group endorsed certain notes receivable accepted by banks in Mainland China (the "**Derecognised Notes**") to certain of its suppliers in order to settle the trade payables due to such suppliers with aggregate carrying amounts of approximately RMB776,850,000 and RMB126,155,000 as at 31 December 2024 and 2023, respectively. The Derecognised Notes have a maturity from one to six months at the end of the respective reporting periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

Since the business model of notes receivables with similar credit exposures with the Derecognised Notes is both holding to collect contractual cash flows and selling, the Group classifies and measures notes receivables with similar credit exposures with the Derecognised Notes at fair value through other comprehensive income. The fair value of notes receivable approximated to their carrying amount largely due to the short-term maturities of these instruments. No fair value changes were recorded for the years ended 31 December 2024 and 2023 for notes receivable.

For the years ended 31 December 2024 and 2023, the Group has not recognised any gain or loss on the dates of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

18. PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Advances to suppliers	**19,185**	36,826
Deductible value-added tax and prepaid corporate income tax	**14,525**	22,111
Other receivables	**14,838**	16,535
	48,548	75,472
Impairment allowance	**(1,377)**	(6,193)
Total	**47,171**	69,279

Except for the impairment provided for certain other receivables which indicates that the Group is unlikely to receive the outstanding contractual amounts in full, no impairment allowance is provided for other receivables for which credit risk has not increased significantly since initial recognition.

Deductible value-added tax and prepaid corporate income tax are to be deducted in the following year. Advances to suppliers and other receivables are unsecured and interest-free.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2024	2023
	Notes	***RMB'000***	*RMB'000*
Financial assets at FVPL – current:			
Listed equity investments	*(a)*	**906**	7,879
Wealth management products	*(b)*	**–**	5,000
Subtotal		**906**	12,879
Financial assets at FVPL – non-current:			
Unlisted investment	*(c)*	**14,960**	25,183
Total		**15,866**	38,062

(a) The listed equity investments were classified as FVPL as they were held for trading.

(b) The wealth management products were issued by banks in Mainland China. The Directors of the Company consider that they are investments with cash flows not solely payments of its principal and interest and recorded it as financial asset at FVPL.

(c) The unlisted investment is an investment in beneficial rights from shares of a private equity fund. The directors of the Company consider that they are investments with cash flows not solely payments of its principal and interest and recorded it as financial asset at FVPL.

20. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Note	2024 RMB'000	2023 RMB'000
Cash and bank balances		**266,929**	358,027
Less: Restricted cash – current	(a)	**(140)**	(70,586)
Cash and cash equivalents		**266,789**	287,441
Denominated in RMB		**227,150**	258,691
Denominated in other currencies		**39,639**	28,750
Cash and cash equivalents		**266,789**	287,441

Note:

(a) As at 31 December 2024, restricted cash mainly represented guarantee deposits for workers. As at 31 December 2023, restricted cash mainly represented guarantee deposits for the issued bills payable.

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the restricted bank deposits approximate to their fair values.

21. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	**141,559**	245,178
1 month to 2 months	**80,856**	56,558
2 months to 3 months	**90,309**	34,573
Over 3 months	**74,314**	136,305
Total	**387,038**	472,614

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

22. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Effective Interest rate (%)	**Maturity**	**RMB'000**	Effective Interest rate (%)	Maturity	RMB'000
Short-term						
Bank loans – secured	**2.95-4.20**	**2025**	**165,172**	2.80-4.50	2024	212,193
Bank loans – unsecured	**3.90-4.50**	**2025**	**25,249**	3.70-5.00	2024	65,251
Total			**190,421**			277,444
Long-term						
Other borrowings -secured	**7.65-8.32**	**2025-2026**	**17,990**	7.65-9.22	2024-2026	39,708
Total			**17,990**			39,708
Less: current portion of long-term other borrowings			**(16,148)**			(21,650)
			1,842			18,058
Total bank and other borrowings			**208,411**			317,152
Analysed into:						
Bank loans repayable:						
Within one year			**190,421**			277,444
Subtotal			**190,421**			277,444
Other borrowings repayable:						
Within one year			**16,148**			21,650
In the second year			**1,842**			12,332
In the third to fifth years, inclusive			**–**			5,726
Subtotal			**17,990**			39,708
Total			**208,411**			317,152

(a) Certain of the Group's interest-bearing bank and other borrowings as at 31 December 2024 were secured by:

   (i) mortgages over certain of the Group's property, plant and equipment of approximately RMB189,722,000 as at 31 December 2024 (2023: approximately RMB138,038,000);

   (ii) mortgages over certain of the Group's right-of-use assets of approximately RMB39,171,000 as at 31 December 2024 (2023: approximately RMB32,153,000);

   (iii) none of the Group's trade receivables is mortgaged as at 31 December 2024 (2023: approximately RMB114,378,000).

(b) All the outstanding interest-bearing bank and other borrowings are denominated in RMB.

23. OTHER CURRENT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Considerations received from independent investors for partial disposal of the equity interests in a subsidiary*	**–**	57,489
Others	**2,747**	2,797
Total	**2,747**	60,286

* As at 31 December 2023, considerations received from independent investors for partial disposal of the equity interests in Tsaker Technology, an indirect non-wholly-owned subsidiary of the Company, with repurchase rights given to these independent investors were accounted for and disclosed as current financial liabilities because in the event that Tsaker Technology fails to consummate a proposed listing on the Beijing Stock Exchange by 31 December 2024 (the "**Proposed Listing**"), each of the independent investors shall have a repurchase right to request Tsaker Hong Kong to repurchase all or part of its respective shares acquired in Tsaker Technology at a pre-determined repurchase price. In 2024, Tsaker Hong Kong agreed with investors to amend the due date of the Proposed Listing from 31 December 2024 to 31 December 2027, financial liabilities were reclassified to non-current financial liabilities accordingly.

24. OTHER NON-CURRENT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Considerations received from independent investors as capital injection in a subsidiary*	**236,392**	220,001
Considerations received from independent investors for partial disposal of the equity interests in a subsidiary**	**101,994**	–
Others	**1,771**	4,517
Total	**340,157**	224,518

* As disclosed in the Consolidated Statement of Changes in Equity, considerations received from independent investors by Shandong TNM, with repurchase rights were accounted for as non-current financial liabilities.

** Details of the considerations are disclosed in Note 23 to the financial statements.

25. SHARE CAPITAL

The movements in share capital of the Company are as follows:

Shares	**Number of shares**	**Share capital**	**Issued share capital equivalent of**
		USD	***RMB'000***
Authorised:			
As at 31 December 2023 at USD0.01 each	2,000,000,000	20,000,000	
As at 31 December 2024 at USD0.01 each	**2,000,000,000**	**20,000,000**	
Issued and fully paid:			
At 1 January 2023 at USD0.01 each	1,019,132,500	10,191,325	65,807
Shares cancelled	(6,535,000)	(65,350)	(461)
At 31 December 2023 and 1 January 2024 at USD0.01 each	**1,012,597,500**	**10,125,975**	**65,346**
Shares cancelled	**(27,196,500)**	**(271,965)**	**(1,944)**
As at 31 December 2024 at USD0.01 each	**985,401,000**	**9,854,010**	**63,402**

Note:

The Company repurchased 24,711,500 and 18,549,500 of its shares in 2024 and 2023, respectively, on The Stock Exchange of Hong Kong Limited for considerations of approximately RMB20,019,000 and approximately RMB19,663,000, respectively. 27,196,500 (2023: 6,535,000) shares were cancelled during the year ended 31 December 2024.

26. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2024 (2023: Nil).

27. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Plant and machinery	**7,720**	6,382

28. EVENTS AFTER THE REPORTING PERIOD

On 20 March 2025, Directors recommend a final dividend of RMB0.025 per ordinary share in respect of the year ended 31 December 2024 and the proposal is subject to the approval of the Company's shareholders at the 2024 annual general meeting as set out in note 9.

As of the date of this Report, except for the above event, the Group had no other significant events after the reporting period that are required to be disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating segment results

For the year ended 31 December 2024

	Battery materials	**Dye and agricultural chemical intermediates**	**Pigment intermediates and new materials**	**Total**
Revenue *(RMB'000)*	**753,960**	**948,568**	**454,427**	**2,156,955**
Cost of sales *(RMB'000)*	**829,854**	**833,789**	**278,151**	**1,941,794**
Sales volume *(tonnes)*	**78,224**	**77,783**	**12,966**	**168,973**
Gross profit margin	**-10.1%**	**12.1%**	**38.8%**	**10.0%**
Average unit selling price *(RMB/tonne)*	**9,638**	**12,195**	**35,048**	**12,765**

For the year ended 31 December 2023

	Battery materials	Dye and agricultural chemical intermediates	Pigment intermediates and new materials	Total
Revenue *(RMB'000)*	498,646	1,189,868	376,960	2,065,474
Cost of sales *(RMB'000)*	571,307	941,353	234,178	1,746,838
Sales volume *(tonnes)*	44,700	78,416	11,613	134,729
Gross profit margin	-14.6%	20.9%	37.9%	15.4%
Average unit selling price *(RMB/tonne)*	11,155	15,174	32,460	15,331

The Group is mainly engaged in the production and sales of products such as battery materials, dye and agricultural chemical intermediates, pigment intermediates and new materials.

During the Review Year, there were no material changes in the main operations of the Group. The traditional business segments continue to enjoy a prominent position in the market, and revenue from the top five largest customers accounted for approximately 43.7% (2023: approximately 37.0%) of the Group's revenue for the year.

The Group has a well-established sales network for its products, which covers areas including Asia, Europe, North America and South America. During the Review Year, by regional distribution, revenue derived from Chinese Mainland accounted for approximately 84.7% (2023: approximately 82.2%) of the Group's total revenue, and export revenue accounted for approximately 15.3% (2023: approximately 17.8%) of the Group's total revenue.

PERFORMANCE REVIEW

During the Review Year, the total revenue of the Group increased by approximately 4.4% to approximately RMB2,157.0 million (2023: approximately RMB2,065.5 million) as compared with that in the same period of 2023. The increase in revenue was mainly due to the year-on-year increase in the sales volume of iron phosphate, the major product of the Group's battery materials segment during the Review Year.

During the Review Year, due to the decrease in the average unit selling price of the Group's dye and agricultural chemical intermediate products as compared with that in the same period of 2023 as a result of the overall market volatility and the changes in sales proportion of products at various price range, the Group's revenue and gross profit of the dye and agricultural chemical intermediates segment decreased as compared with that in the same period of 2023, which in turn had a significant adverse impact on the Group's net profit. During the Review Year, the gross profit of the Group decreased by approximately 32.5% to approximately RMB215.2 million (2023: approximately RMB318.6 million) as compared with that in the same period of 2023. The overall gross profit margin of the Group decreased to approximately 10.0% in 2024 from approximately 15.4% in 2023. During the Review Year, the Group recorded a net loss of approximately RMB1.5 million (2023: net profit of approximately RMB45.2 million); net loss margin of approximately 0.1% (2023: net profit margin of approximately 2.2%); and basic loss per share of approximately RMB0.02 (2023: basic earnings per share of approximately RMB0.03).

Battery materials – accounting for approximately 35.0% (2023: approximately 24.1%) of the Group's total revenue

The Group is one of the major iron phosphate producers in China. Iron phosphate is mainly used in the production of lithium iron phosphate, which is the mainstream cathode material for the production of power lithium batteries and energy storage lithium batteries.

During the Review Year, as market demand from the new energy vehicle and electrochemical energy storage industries maintained a steady growth and the quality of the iron phosphate products of the Group has been positively recognised by the industry, the sales volume of the Group's iron phosphate, a product of the Group's battery materials segment, increased significantly. The Group maintained close cooperation with lithium iron phosphate manufacturers such as Yibin Tianyuan Lithium Battery New Material Co., Ltd.* (宜賓天原鋰電新材有限公司) and Dangsheng Shudao (Panzhihua) New Material Co., Limited* (當升蜀道(攀枝花)新材料有限公司).

During the Review Year, the iron phosphate market shows complex and volatile market dynamics. Influenced by fluctuations in raw material prices and the imbalance between supply and demand in stages and other factors, iron phosphate suppliers are generally under pressure and the market price of the products decreased as compared with that in the same period of 2023. As a result of the combined effect of the increased sales volume and the declined market price of iron phosphate products, the revenue of the battery materials segment of the Group increased by approximately 51.2% to approximately RMB754.0 million (2023: approximately RMB498.6 million) as compared with that in the same period of 2023, accounting for approximately 35.0% (2023: approximately 24.1%) of the Group's total revenue.

During the Review Year, the Group continued to optimize production processes, and improved procurement and production management. Meanwhile, the continuous expansion of production scale diluted fixed costs, resulting in a significant decrease in the average unit cost of the Group's iron phosphate products during the Review Year. The gross profit of this segment was approximately RMB-75.9 million (2023: gross profit of approximately RMB-72.7 million), and the gross profit margin increased by approximately 4.5 percentage points to approximately -10.1% (2023: approximately -14.6%).

Dye and agricultural chemical intermediates – accounting for approximately 44.0% (2023: approximately 57.6%) of the Group's total revenue

The Group is the world's largest manufacturer of 4,4'-diaminostilbene-2,2' disulfonic acid ("**DSD Acid**"). DSD Acid is mainly used in the production of optical brightening agents, and its end applications include brightening of paper and detergents, and brightening elements of bleach for textile.

The Group is one of the world's three largest mononitrotoluene manufacturers. 4-nitrotoluene or para-nitrotoluene ("**PNT**"), 2-nitrotoluene or ortho-nitrotoluene ("**ONT**") and 3-nitrotoluene or meta-nitrotoluene ("**MNT**") are collectively referred to as mononitrotoluene. PNT is the major raw material for the production of DSD Acid. By producing its own mononitrotoluene, the Group is able to stabilise the upstream supply of raw materials. ONT and ortho-toluidine ("**OT**") are major raw materials for the production of herbicides as agricultural chemicals.

During the Review Year, driven by the overall market volatility and the changes in sales proportion of products at various price range, the average unit selling price of the Group's dye intermediate products decreased, leading to a decrease of approximately 19.7% in the revenue of dye intermediate products of the Group to approximately RMB424.8 million (2023: approximately RMB529.1 million) as compared with that in the same period of 2023, accounting for approximately 19.7% (2023: approximately 25.6%) of the Group's total revenue.

During the Review Year, the sales volume and average unit selling price of the agricultural chemical intermediate products of the Group decreased as compared with that in the same period in 2023, leading to a decrease in the revenue of the agricultural chemical intermediate products of the Group by approximately 20.7% to approximately RMB523.8 million as compared with that in the same period of 2023 (2023: approximately RMB660.7 million), accounting for approximately 24.3% (2023: approximately 32.0%) of the Group's total revenue.

During the Review Year, the total revenue of this segment decreased by approximately RMB241.3 million or approximately 20.3% to approximately RMB948.6 million (2023: approximately RMB1,189.9 million) as compared with that in the same period of 2023, accounting for approximately 44.0% (2023: approximately 57.6%) of the Group's total revenue.

During the Review Year, as the decrease in the average unit selling price of products in this segment exceeded the decrease in the average unit cost, the overall gross profit of this segment decreased by approximately 53.8% to approximately RMB114.8 million (2023: approximately RMB248.5 million), and the gross profit margin decreased by approximately 8.8 percentage points to approximately 12.1% (2023: approximately 20.9%).

Pigment intermediates and new materials – accounting for approximately 21.0% (2023: approximately 18.3%) of the Group's total revenue

The Group is the world's largest manufacturer and distributor of the high-performance pigment intermediate dimethyl succinylosuccinate ("**DMSS**"). The Group is also a main manufacturer of dimethyl acetylsuccinate ("**DMAS**"), a food additive intermediate, and diisopropyl succinate ("**DIPS**"), a high-performance pigment intermediate, in the world. The above high-performance intermediate products are mainly used in the production of end products such as printing inks, food additives, automobile paints and coatings. 3,3',4,4'-biphenyltetracarboxylic dianhydride ("**BPDA**"), a new product of the Group, is an important monomer for the production of new material polyimide.

During the Review Year, the pigment intermediates and new materials segment developed steadily, with sales volume increasing compared to that in the same period of 2023. Driven by the increase in both sales volume and the average unit selling price of the products, the revenue of this segment increased by approximately 20.5% as compared with that in the same period of 2023 to approximately RMB454.4 million (2023: approximately RMB377.0 million), accounting for approximately 21.0% (2023: approximately 18.3%) of the Group's total revenue.

During the Review Year, the profitability of this segment steadily improved. The total gross profit of this segment increased by approximately 23.5% to approximately RMB176.3 million (2023: approximately RMB142.8 million), and the gross profit margin increased by approximately 0.9 percentage points to approximately 38.8% (2023: approximately 37.9%).

EXPORT

During the Review Year, the export revenue of the Group amounted to approximately RMB329.6 million, representing a decrease of approximately RMB38.7 million or approximately 10.5% as compared with the export revenue of approximately RMB368.3 million in the same period of 2023. The decrease in export revenue of the Group was mainly due to the decrease in export sales volume and average unit selling price of the Group's dye and agricultural chemical intermediate products during the Review Year as compared with that in the same period of 2023.

During the Review Year, the export revenue of the Group accounted for approximately 15.3% (2023: approximately 17.8%) of the Group's total revenue.

RESEARCH AND DEVELOPMENT

The Group has always regarded research and development and technological innovation as the fundamental drivers for the Group's development. We have continuously carried out research and development of new products, improved and enhanced the production process and product quality of existing products, and enhanced the overall competitiveness of our products in the market.

In 2024, we continuously optimised our production process of iron phosphate products for battery materials, which led to a continuous improvement in the quality level of the products in our existing production line. During the Review Year, the trial process of recycling lithium iron phosphate resources and product verification were basically completed. The implementation of the new technology is expected to further reduce the production cost of iron phosphate. We have continuously carried out research and development of new lithium manganese iron phosphate and sodium-ion battery materials to seize market opportunities and expand our business portfolio of products. Besides, we have also continuously optimised our production process and completed our capacity enhancement and process optimisation for the new material polymerised monomer BPDA, which gradually started to contribute to the Group's revenue.

In 2024, we continuously improved and enhanced the production process and product quality of our traditional intermediate products to consolidate our technological advantages, cut costs and increase efficiency on an ongoing basis. During the Review Year, we completed the research project of continuous tandem esterification of DMSS products, which deepened the advantages of energy saving and efficiency enhancement; and completed the research project of nitrotoluene hydrogasification process, which reduced the energy consumption during the production of agricultural intermediate products and further lowered the production cost. Additionally, we deeply optimised the production process for DSD acid, which shortened the process reaction time and led to a substantial reduction in energy consumption, thereby strengthening our technological and cost advantages in the industry while improving product quality at the same time.

Adhering to the belief that technology is our core competence, we will continue to invest in research and development and make unremitting efforts to maintain the competitive edge of our existing products in the market and actively explore new business growth opportunities and direction.

REVIEW AND OUTLOOK

In 2024, China's economy is steadily advancing toward high-quality development through policy guidance and innovation-driven strategies, continuing to inject momentum into global economic growth. However, external technological restrictions, tariff pressures, as well as the restructuring of the global industrial chain also present heightened challenges to China's economic development. Meanwhile, the global economy showed a slow recovery, with inflationary pressures easing, trade gradually picking up. Nevertheless, amid the interplay of geopolitical competition, debt concerns, and trade protectionism risks, the global economic recovery will become increasingly complex and multifaceted.

In 2024, the penetration rate of new energy vehicles in China and the market demand for electrochemical energy storage continued to break through, and the power battery recycling industry also entered a stage of large-scale expansion. However, while China's new energy industry chain is booming, it is also facing pressures from various aspects such as periodic supply and demand imbalance and intense market competition. During the Review Year, although the market demand in the battery materials industry continued to grow, the prices of the two core raw materials of lithium iron phosphate, namely lithium carbonate and iron phosphate, remained at a low level. During the Review Year, the sales volume of the iron phosphate products of the Group increased significantly, while its average unit selling price still remained at a low level but was slightly higher than the industry average. During the Review Year, battery materials segment completed capacity optimisation by expanding the production capacity of its current iron phosphate production line in Dongying Factory from 50,000 tonnes/year to 70,000 tonnes/year, and, together with the current iron phosphate production line with capacity of 30,000 tonnes/year in Cangzhou Factory, the Group's total production capacity of iron phosphate products reached 100,000 tonnes/year. During the Review Year, the capacity utilisation rate of the Group's iron phosphate production lines remained at a relatively high level.

In 2024, the decrease in sales volume and average unit selling price of the Group's dye and agricultural chemical intermediate products caused great pressure on the overall profitability of the Group. The Group will actively respond to the changes in the supply and demand pattern in the domestic and foreign markets to promptly adjust our pricing strategy flexibly, continue to strengthen our customer service capabilities, optimize production precesses of the products, and improve product quality to consolidate our competitive edge in the dye and agricultural chemical intermediates segment.

In 2024, the Group's pigment intermediates and new materials segment demonstrated further improvement in market influence and profitability, with sales volume and revenue growing further as compared to the same period of 2023. New material polymerised monomer BPDA products were introduced to the market and received recognition from customers, gradually contributing to the Group's revenue. Meanwhile, we continued to make progress regarding the proposed transfer of listing of Hebei Tsaker New Materials Technology Company Limited* (河北彩客新材料科技股份有限公司) ("**Tsaker Technology**", an indirect non-wholly-owned subsidiary of the Company engaging in the production and sales of pigment intermediate and new material products) to the Beijing Stock Exchange in China (the "**Proposed BSE Listing**"). In order to diversify the shareholder structure of Tsaker Technology and improve its corporate image and reputation, on 25 November 2024, Tsaker Chemical (Hong Kong) Company Limited ("**Tsaker Hong Kong**", a direct wholly-owned subsidiary of the Company) entered into share transfer agreements with Changzhou Xinjin Ruiying Venture Capital Partnership (Limited Partnership)* (常州信金瑞盈創業投資合夥企業(有限合夥)), Wuxi Xingaodi Advanced Industry Investment Fund Partnership (Limited Partnership)*(無錫新高地高精尖產業投資基金合夥企業(有限合夥)) and Zhongtai Securities Co., Ltd.* (中泰證券股份有限公司) (collectively, the "**Purchasers**"), pursuant to which Tsaker Hong Kong disposed of an aggregate of approximately 3.76% equity interest in Tsaker Technology to the Purchasers at an aggregate consideration of RMB39,975,197.36 (the "**2024 Disposals**"). As of the end of the Review Year, the transactions under the share transfer agreement had been completed. The Company will make further announcement(s) on the Proposed BSE Listing as and when appropriate in accordance with the relevant requirements under the Listing Rules.

Looking ahead, amid the complex and everchanging market environment, the Group will continue to adopt positive and sound development strategies, steadfastly increase investment in technology research and development, and comprehensively improve safe production and management standard, striving to achieve breakthroughs in the technical aspects of products in various segments. The Group will fully leverage its significant advantages in traditional business segments accumulated over the years and proactively respond to the short-term challenges in the relevant segments. In view of the tremendous development opportunities in the new energy sector, the Group will be keen to capture any opportunities arising from the changes in the industry, continue to enhance its core competitiveness in the new energy sector, and relentlessly pursue the sustainable, stable and healthy development of the Group.

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

In 2024, the revenue of the Group amounted to approximately RMB2,157.0 million, representing an increase of approximately RMB91.5 million or approximately 4.4% as compared with that of approximately RMB2,065.5 million in 2023. Its gross profit amounted to approximately RMB215.2 million, representing a decrease of approximately RMB103.4 million or approximately 32.5% as compared with that of approximately RMB318.6 million in 2023. In 2024, the Group's gross profit margin was approximately 10.0%, whereas it was approximately 15.4% in 2023. The decrease in gross profit and gross profit margin was mainly due to the impact of market fluctuation and changes in the sales proportion of products at various price range within the Group's dyes and agricultural chemical intermediate products during the Review Year, leading to a decline in the average unit selling price as compared to the same period in 2023.

NET LOSS AND NET LOSS MARGIN

In 2024, the net loss of the Group was approximately RMB1.5 million, representing a decrease of approximately RMB46.7 million or approximately 103.3% as compared with the net profit of approximately RMB45.2 million in 2023. In 2024, the Group recorded net loss margin of approximately 0.1%, while it recorded net profit margin of approximately 2.2% in 2023. The Group recorded a net loss during the Review Year mainly due to the decrease in gross profit of the dye and agricultural chemical intermediates segment of the Group.

SELLING AND DISTRIBUTION EXPENSES

In 2024, the selling and distribution expenses of the Group amounted to approximately RMB25.8 million, representing a decrease of approximately RMB18.4 million as compared with that of approximately RMB44.2 million in 2023. The decrease in selling and distribution expenses was mainly due to the fact that during the Review Year, (i) the Group implemented stringent expense control, resulting in a decrease in certain expenses of sales as compared with that in the same period of 2023; and (ii) the sales volume of the Group's export products decreased, resulting in a decrease in freight cost and commissions related to export business as compared with that in the same period in 2023.

In 2024, the selling and distribution expenses of the Group accounted for approximately 1.2% (2023: approximately 2.1%) of its total revenue.

ADMINISTRATIVE EXPENSES

In 2024, the administrative expenses of the Group were approximately RMB158.2 million, representing a decrease of approximately RMB20.1 million as compared with that of approximately RMB178.3 million in 2023. The decrease in administrative expenses was mainly due to (i) the decrease in research and development expenses of the Group during the Review Year due to the change in the stages of the research and development projects; and (ii) the decrease in expenses on consultation and other services during the Review Year, as the Group intensified its efforts on cost control.

In 2024, the administrative expenses of the Group accounted for approximately 7.3% (2023: approximately 8.6%) of its total revenue.

IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In 2024, the Group did not record any impairment losses on property, plants and equipment (2023: approximately RMB14.0 million) or any impairment losses on intangible assets (2023: nil).

FINANCE COSTS

In 2024, the finance costs of the Group amounted to approximately RMB38.3 million, representing an increase of approximately RMB5.3 million as compared with that of approximately RMB33.0 million in 2023. The increase in finance costs was mainly due to the grant of repurchase rights to investors upon the introduction of the first round of independent investors to Shandong Tsaker New Materials Co., Ltd. ("**Shandong TNM**"), an indirect wholly-owned subsidiary of the Company and its subsidiaries ("**Shandong TNM Group**", engaging in the production and sales of battery material products) in March and April 2023 and the transfer of partial interest in Tsaker Technology held by Tsaker Hong Kong in June 2023, under which the relevant repurchase obligations were recognised as financial liabilities with interest to be accrued, resulting in a longer interest accrual period for the above interest-bearing financial liabilities during the Review Year as compared with the same period in 2023. For details, please refer to the notes to the consolidated statement of changes in equity set out in this announcement.

EXCHANGE GAINS/(LOSSES), NET

In 2024, the exchange gains of the Group amounted to approximately RMB0.4 million, whereas it recorded the exchange losses of approximately RMB5.0 million in 2023, which was mainly attributable to the fluctuation in the exchange rate of RMB against USD.

INCOME TAX EXPENSE

The subsidiaries of the Company in Mainland China are generally subject to the PRC Enterprise Income Tax at a rate of 25%. Tsaker Technology enjoys the enterprise income tax at a preferential rate of 15% due to its possession of a high and new technology enterprise certificate. The subsidiary of the Company in Hong Kong is subject to the two-tiered tax rates regime, i.e., the first HK$2.0 million of assessable profits earned will be taxed at a rate of 8.25%, which is half of the current Hong Kong profits tax rate, and the remaining assessable profits will continue to be taxed at a rate of 16.5%. The subsidiary of the Company in Singapore is generally subject to the Singapore Enterprise Income Tax at a rate of 17.0%. In 2024, the income tax expense of the Group amounted to approximately RMB1.9 million, representing a decrease of approximately RMB12.5 million as compared with that of approximately RMB14.4 million in 2023. The decrease in income tax expense was mainly due to the decrease in the profit before tax during the Review Year as compared with 2023.

CASH FLOWS

In 2024, the net cash inflows from operating activities of the Group amounted to approximately RMB173.9 million, representing an increase of approximately RMB127.7 million as compared with that of approximately RMB46.2 million in 2023, which was mainly attributable to the increase in the Group's overall sales revenue and the improvement in operating cash flow brought by the increase in sales collection during the Review Year.

In 2024, the net cash outflows used in investing activities of the Group amounted to approximately RMB31.6 million, representing a decrease of approximately RMB102.4 million as compared with that of approximately RMB134.0 million in 2023, which was mainly due to the release of the bank deposit guarantee during the Review Year which were originally pledged in 2023 to pay for the bills payable for the construction of Shandong TNM's production line.

In 2024, the Group's net cash outflows used in financing activities amounted to approximately RMB162.5 million, representing a decrease of approximately RMB348.2 million as compared with the net cash inflows generated from financing activities of approximately RMB185.7 million in 2023, which was mainly due to (i) the completion of the introduction of first round of independent investors to Shandong TNM Group in 2023, while no similar financing occurred during the Review Year; (ii) the decrease in proceeds from transfer of partial interest in Tsaker Technology held by Tsaker Hong Kong during the Review Year as compared with that in the same period of 2023; and (iii) the Group's further optimization of its debt structure during the Review Year, resulting in a decrease in the balance of interest-bearing bank and other borrowings at the end of the Review Year as compared with the end of 2023. For details, please refer to the Company's announcements dated 25 November 2024 and 4 December 2024.

LIQUIDITY AND CAPITAL STRUCTURE

In 2024, the daily working capital of the Group was primarily derived from cash flows from operations. As of 31 December 2024, the Group had cash and cash equivalents of approximately RMB266.8 million, of which approximately RMB227.2 million was denominated in RMB and approximately RMB39.6 million was denominated in other currencies (USD, HKD and SGD) (2023: approximately RMB287.4 million, of which approximately RMB258.7 million was denominated in RMB and approximately RMB28.7 million was denominated in other currencies (USD, HKD and SGD)). As of 31 December 2024, the Group had restricted cash of approximately RMB0.1 million, which was denominated in RMB (2023: approximately RMB70.6 million, which was denominated in RMB).

As of 31 December 2024, the Group had interest-bearing bank and other borrowings of approximately RMB208.4 million with an interest rate of 2.95%-8.32% per annum, which were all denominated in RMB (2023: approximately RMB317.1 million with an interest rate of 2.8%-9.22% per annum, which were all denominated in RMB), of which (i) approximately RMB206.6 million shall be repayable within one year and approximately RMB1.8 million shall be repayable in the second year (2023: approximately RMB299.1 million shall be repayable within one year, approximately RMB12.3 million shall be repayable in the second year, and approximately RMB5.7 million shall be repayable in the third to fifth years (inclusive)); and (ii) all bore fixed interest rates (2023: all bore fixed interest rates).

In 2024, the Group did not use any risk hedging instrument or have any borrowing or hedge in its foreign currency investment.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended 31 December 2024. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

GEARING RATIO

As at 31 December 2024, the Group's gearing ratio (calculated as interest-bearing bank and other borrowings at the end of the year divided by total equity) was approximately 10.7% as compared with approximately 15.4% as at 31 December 2023.

CURRENT ASSETS

As at 31 December 2024, the total current assets of the Group amounted to approximately RMB1,562.3 million (2023: approximately RMB1,467.5 million), primarily consisting of inventories of approximately RMB273.1 million (2023: approximately RMB285.3 million), trade receivables and notes receivable of approximately RMB974.2 million (2023: approximately RMB742.0 million), prepayments and other receivables of approximately RMB47.2 million (2023: approximately RMB69.3 million), cash and cash equivalents of approximately RMB266.8 million (2023: approximately RMB287.4 million) and restricted cash of approximately RMB0.1 million (2023: approximately RMB70.6 million).

INVENTORIES

Inventories of the Group mainly consisted of raw materials, work-in-progress and finished products. In 2024, the inventory turnover days decreased by 6 days from 58 days in 2023 to 52 days. The inventory turnover days remained relatively stable.

TRADE RECEIVABLES AND NOTES RECEIVABLE

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Trade receivables	**283,864**	342,512
Notes receivable	**690,380**	399,501
	974,244	742,013

As at 31 December 2024, the trade receivables and notes receivable of the Group increased by approximately RMB232.2 million as compared with that in 2023.

The turnover days for trade receivables and notes receivables increased to 143 days for 2024 from 122 days for 2023, which was mainly due to (i) the increase in the Group's sales to customers with longer credit period in the battery materials segment; and (ii) the significant increase in bank acceptance bills held by the Group at the end of the Review Year.

PREPAYMENTS AND OTHER RECEIVABLES

As at 31 December 2024, the prepayments and other receivables of the Group decreased by approximately RMB22.1 million from approximately RMB69.3 million in aggregate as at 31 December 2023 to approximately RMB47.2 million in aggregate, which was mainly due to the decrease in part of the prepayments to suppliers for purchase of raw materials and energy.

CURRENT LIABILITIES

As at 31 December 2024, the total current liabilities of the Group amounted to approximately RMB1,200.0 million (2023: approximately RMB1,140.2 million), primarily consisting of trade and bills payables of approximately RMB387.0 million (2023: approximately RMB472.6 million), other payables and accruals of approximately RMB584.6 million (2023: approximately RMB277.6 million) and interest-bearing bank and other borrowings of approximately RMB206.6 million (2023: approximately RMB299.1 million).

TRADE AND BILLS PAYABLES

The turnover days for trade and bills payables remained relatively stable at 80 days and 88 days for the years ended 31 December 2024 and 2023, respectively.

OTHER PAYABLES AND ACCRUALS

As at 31 December 2024, other payables and accruals of the Group increased by approximately RMB307.0 million from approximately RMB277.6 million in aggregate as at 31 December 2023 to approximately RMB584.6 million in aggregate, which was mainly due to the increase in the endorsed notes receivable which was not derecognised as at the end of the Review Year.

PLEDGE OF ASSETS

As at 31 December 2024, certain of the Group's property, plant and equipment and right-of-use assets with a net carrying amount of approximately RMB228.9 million (2023: property, plant and equipment, right-of-use assets and trade receivables amounted to approximately RMB284.6 million) were pledged to secure bank loans and other borrowings granted to the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND SIGNIFICANT INVESTMENT

Except for the 2024 Disposals of partial interest in Tsaker Technology by Tsaker Hong Kong during the Review Year as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures, or significant investment of the Group for the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets acquisition as at 31 December 2024 and the date of this announcement.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk of loss caused by fluctuation in the exchange rate. The foreign exchange risk of the Group is mainly related to its operating activities. In view of the certain scale of export business of the Company, the Group's operations may be affected by the future fluctuation in exchange rates. The Group is closely monitoring the impact of fluctuation in currency exchange rates on the foreign exchange risk of the Group.

The Group currently does not have any hedging policy for foreign currencies in place. The Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

The Group has established human resources policies and systems with a view to achieving effective management in all aspects and building a learning-oriented organisation by providing motivational rewards through a proper reward system and offering employees various training programs including internal/external training and public courses.

The remuneration package offered to the employees (including the Directors) was in line with their duties and the prevailing market terms. Staff benefits, including bonus, training schemes, pension fund, medical coverage, provident funds etc., were also provided to the employees of the Group.

As at 31 December 2024, the Group had 2,134 (2023: 2,058) employees.

During the Review Year, the total staff costs of the Group (including salaries, bonuses, social insurances and provident funds) amounted to approximately RMB232.0 million (2023: approximately RMB217.1 million).

The Group did not have any share option scheme for the year ended 31 December 2024.

FINAL DIVIDEND

The Board recommended the declaration of a final dividend of RMB0.025 per ordinary share for the year ended 31 December 2024 (for the year ended 31 December 2023: RMB0.038 per ordinary share). Such final dividend is subject to approval of the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company (the "**AGM**") to be held on 15 May 2025 and will be paid to the Shareholders on 24 June 2025 whose names appear on the register of members of the Company (the "**Register of Members**") on 26 May 2025.

As at the date of this announcement, the Company did not hold any treasury shares or repurchased shares subject to cancellation. Based on the total number of shares of the Company of 970,918,000 shares as of the date of this announcement, the total amount of final dividend amounted to approximately RMB24,273,000.

Assuming the final dividend is approved at the AGM, together with the interim dividend of RMB0.005 per ordinary share and the interim special dividend of RMB0.025 per ordinary share for the six months ended 30 June 2024, the total amount of dividends for the year ended 31 December 2024 will be RMB0.055 per ordinary share (dividends in aggregate for the year ended 31 December 2023: RMB0.067 per ordinary share.).

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 9 May 2025 to Thursday, 15 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Thursday, 8 May 2025.

The Register of Members will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to receive final dividends, during which period no share transfers will be registered. To be eligible to receive final dividends, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 20 May 2025.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any minor discrepancies between the figures included in this announcement and related calculations or the figures in the financial statements are due to rounding.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set forth in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Reporting Period, the Company has complied with all the code provisions of the CG Code set out therein, except for code provision C.2.1. In accordance with code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from code provision C.2.1 because Mr. GE Yi performs both the roles of the chairman and the chief executive officer of the Company. Since Mr. GE Yi has been with the Company for many years, he has a thorough understanding of our business, management, customers and products. With his extensive experience in business operation and management, the nomination committee of the Board (the "**Nomination Committee**") and the Board believe that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates effective implementation and execution of our business decisions and strategies, and is beneficial to the business prospects and management of the Company.

Under the leadership of Mr. GE Yi, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company. To maintain a high standard of corporate governance practice for the Company, the Nomination Committee and the Board shall nevertheless review the effectiveness of the structure and composition of the Board from time to time in light of the prevailing circumstances.

The Company will continue to review and monitor its corporate governance practices to ensure its compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries to all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024, as the Board considered that the price of the Company's shares did not reflect their intrinsic value, and the share repurchase program could reflect the Board's confidence in the Company's development prospects, the Company repurchased a total number of 24,711,500 shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at a total consideration (before deduction of expenses) of HK$21,958,685. Out of the shares repurchased during the year ended 31 December 2024, 1,036,000, 10,275,000 and 13,400,500 repurchased shares were subsequently cancelled on 6 February 2024, 30 July 2024 and 19 February 2025, respectively.

The details of the repurchase are set out below:

Month	**Number of shares repurchased**	**Highest purchase price per share** *HK$*	**Lowest purchase price per share** ***HK$***	**Total consideration (before deduction of expenses)** ***HK$***
January 2024	1,036,000	0.99	0.93	995,105
March 2024	1,997,000	0.80	0.75	1,555,035
April 2024	1,490,500	0.82	0.76	1,168,660
May 2024	1,963,500	1.03	0.81	1,889,130
June 2024	2,699,500	1.07	0.97	2,747,045
July 2024	2,124,500	1.06	1.00	2,180,065
August 2024	3,399,000	0.91	0.80	3,011,220
September 2024	5,113,000	0.88	0.74	4,181,910
October 2024	1,884,000	0.93	0.80	1,629,870
November 2024	1,044,000	0.89	0.81	878,415
December 2024	1,960,500	0.90	0.84	1,722,230
Total	**24,711,500**			**21,958,685**

Save as disclosed above, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2024.

There were no treasury shares held by the Company as at 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 28 to the financial statements in this announcement, the Group did not have any other significant events after the Reporting Period from 31 December 2024 up to the date of this announcement.

AUDIT COMMITTEE AND FINANCIAL STATEMENTS

The audit committee (the "**Audit Committee**") of the Board, together with the Board, had reviewed the accounting standards and practices adopted by the Group and the annual results for the year ended 31 December 2024.

The figures in relation to the results of the Group for the year ended 31 December 2024 in this preliminary announcement have been agreed to the amounts set out in the Group's draft consolidated financial statements for the year by the Group's auditor, Ernst & Young. The work of Ernst & Young, in this respect, did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

PROPOSED CHANGE OF AUDITOR

Ernst & Young has been the auditor of the Company since the listing of the shares of the Company on the Stock Exchange in 2015. The Board is of the view that the retirement of the Company's existing auditor and the proposed appointment of a new auditor of the Company serve as good corporate governance practice to maintain the independence of the Company's auditor and are in the best interests of the Company and its Shareholders as a whole. Therefore, the re-appointment of Ernst & Young as the auditor of the Company for the year ending 31 December 2025 will not be proposed at the AGM and Ernst & Young will retire as the auditor of the Company with effect from the conclusion of the AGM.

Ernst & Young has confirmed in writing that there are no circumstances connected with its proposed retirement which it consider should be brought to the attention of the Shareholders or creditors of the Company in relation to the change of the auditor of the Company. The Board and the Audit Committee have also confirmed that there are no disagreements or unresolved matters between the Company and Ernst & Young, and there is no other matter in respect of the upcoming retirement of Ernst & Young that needs to be brought to the attention of the Shareholders.

The Company believes that the proposed change of auditor will not affect the publication of the annual results or annual report of the Company for the year ended 31 December 2024.

The Board, with the recommendation from the Audit Committee, has resolved to propose the appointment of Confucius International CPA Limited (天健國際會計師事務所有限公司) as the new auditor of the Company for the period from the conclusion of the AGM to the conclusion of the annual general meeting of the Company for the year ending 31 December 2025. The Audit Committee has considered a number of factors when recommending Confucius International CPA Limited as the new auditor, including but not limited to (i) its experience in providing audit services to companies whose shares are listed on the Stock Exchange; (ii) its industry knowledge, technical competence and performance capability; (iii) its resources allocation, quality and capability including but not limited to manpower and time; (iv) its independence and objectivity; (v) its audit fee; (vi) its market reputation; and (vii) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Board and the Audit Committee have assessed and considered that Confucius International CPA Limited is independent and capable to perform a high quality audit and is qualified and suitable to act as the new auditor of the Company. The proposed change of auditor is subject to the approval of the Company by the way of an ordinary resolution at the AGM. A circular containing, inter alia, details of the proposed change of auditor of the Company, together with a notice of the AGM will be disseminated to the Shareholders of the Company in due course.

The Board would like to extend its sincere gratitude to Ernst & Young for its quality services provided to the Company in the previous years.

PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tsaker.com), and the Company's 2024 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and made available for the Shareholders' review in due course.

By Order of the Board
Tsaker New Energy Tech Co., Limited
GE Yi
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises Mr. GE Yi (Chairman) and Mr. BAI Kun as executive Directors, Mr. FONTAINE Alain Vincent and Mr. PAN Deyuan as non-executive Directors and Mr. ZHU Lin, Mr. YU Miao and Ms. ZHANG Feiyan as independent non-executive Directors.

* *For identification purpose only*