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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Tsaker New Energy Tech Co., Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**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)**

**POSSIBLE DEEMED DISPOSAL AND MAJOR TRANSACTION IN  
RELATION TO THE PROPOSED LISTING OF TSAKER  
TECHNOLOGY ON BEIJING STOCK EXCHANGE**

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A letter from the Board is set out on pages 4 to 22 of this circular.

The Company has obtained irrevocable and unconditional written approvals for the Proposal from the Closely Allied Group on 25 April 2025. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Proposal has been satisfied in lieu of a Shareholders' general meeting of the Company. This circular is being despatched to the Shareholders for information only.

12 May 2025

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“2024 Disposals”	the disposals of a total of 2,389,432 shares in Tsaker Technology by Tsaker Hong Kong to relevant purchasers in November 2024, as disclosed in the announcements of the Company dated 25 November 2024 and 4 December 2024
“Alternative Tests”	the alternative tests adopted for the purpose of classifying a transaction under Chapter 14 of the Listing Rules
“Board”	board of Directors
“BSE”	Beijing Stock Exchange
“Closely Allied Group”	a closely allied group of the Shareholders comprising Cavalli Enterprises Inc., Hero Time Ventures Limited, Star Path Ventures Limited and Radiant Pearl Holdings Limited, which together held 533,351,000 Shares (representing approximately 54.93% of the issued share capital of the Company as of the Latest Practicable Date)
“Company”	Tsaker New Energy Tech Co., Limited, an exempted company incorporated in the Cayman Islands and the Shares of which are listed on the Stock Exchange
“CSRC”	the China Securities Regulatory Commission
“Deemed Disposal”	the reduction of the Group’s shareholding interest percentage in Tsaker Technology as a result of allotment of Tsaker Technology Shares in the Proposal
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Third Party(ies)”	third party(ies) who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons
“Latest Practicable Date”	6 May 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NEEQ”	National Equities Exchange and Quotations of the PRC
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the Taiwan region
“Proposal”	the proposed public offering of shares to unspecified qualified investors and listing on the BSE by Tsaker Technology
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of par value US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tsaker Hong Kong”	Tsaker Chemical (Hong Kong) Company Limited (彩客化學(香港)有限公司), a direct wholly-owned subsidiary of the Company incorporated in Hong Kong
“Tsaker Technology”	Hebei Tsaker New Materials Technology Company Limited* (河北彩客新材料科技股份有限公司), an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with shares quoted on the NEEQ (stock code: 873772)

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## DEFINITIONS

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“Tsaker Technology Listing”	the proposed listing of the Tsaker Technology Shares on the BSE
“Tsaker Technology Share(s)”	ordinary share(s) of Tsaker Technology with a nominal value of RMB1.00 each
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

\* *For identification purpose only*

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LETTER FROM THE BOARD

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**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)**

*Executive Directors:*

Mr. GE Yi (*Chairman and Chief Executive Officer*)

Mr. BAI Kun

*Non-executive Directors:*

Mr. FONTAINE Alain Vincent

Mr. PAN Deyuan

*Independent Non-executive Directors:*

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Mr. YU Miao

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12 May 2025

*To the Shareholders,*

Dear Sir or Madam,

**POSSIBLE DEEMED DISPOSAL AND MAJOR TRANSACTION IN  
RELATION TO THE PROPOSED LISTING OF TSAKER  
TECHNOLOGY ON BEIJING STOCK EXCHANGE**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 25 April 2025 regarding the Proposal. The purpose of this circular is to provide you with, among other things, further information on the Proposal and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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Shareholders and potential investors of the Company should note that the Proposal and relevant arrangements are conditional upon, among others, various regulatory and corporate approvals, market conditions and other considerations. Accordingly, the Proposal may or may not occur. There is no assurance that the Proposal will take place and, if so, when they may take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

### THE PROPOSAL

Reference are made to (i) the announcements of the Company dated 15 March 2022, 10 April 2022, 19 July 2022 and 30 August 2022 in relation to the spin-off of Tsaker Technology and the separate quotation of its shares on the NEEQ; and (ii) the announcement of the Company dated 30 September 2022 in relation to the proposed BSE listing of Tsaker Technology.

It is proposed that Tsaker Technology will issue new shares on the BSE by way of an initial public offering to unspecified qualified investors, or other methods as requested or agreed by the CSRC, subject to (among other things) approvals by relevant PRC regulators. The actual number of shares to be offered by Tsaker Technology will depend on the market conditions and the relevant rules and regulations of the CSRC as amended from time to time.

Sets out below is a summary of the proposed offering structure of the Proposal:

**Issuer:**

Tsaker Technology (an indirect non-wholly owned subsidiary of the Company)

**Target subscribers:**

Qualified investors who have completed and obtained the authorisation for dealing of securities of companies listed on the BSE (except those who are prohibited to subscribe under laws, regulations and regulatory documents).

The subscribers of the Tsaker Technology Shares in the Proposal are expected to be Independent Third Parties.

**Expected size of the offer:**

The number and offer price of Tsaker Technology Shares to be offered under the Proposal are not yet determined at this stage. It will be determined between Tsaker Technology and the lead underwriter of the Tsaker Technology Listing at a time closer to the allotment, based on the market conditions and relevant rules and regulations at that time.

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## LETTER FROM THE BOARD

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As of the Latest Practicable Date, the total number of Tsaker Technology Shares in issue was 63,571,427. Subject to the approval of the BSE and registration with the CSRC, it is expected that the number of Tsaker Technology Shares to be offered will be: (i) not more than 10,131,300 Tsaker Technology Shares (without taking into account any over-allotment option which may be exercised) (representing approximately 15.9% of the total number of Tsaker Technology Shares in issue as of the Latest Practicable Date, and approximately 13.7% of the total number of Tsaker Technology Shares as enlarged by the Proposal); or (ii) not more than 11,650,995 Tsaker Technology Shares (assuming full exercise of any over-allotment option which may be exercised) (representing approximately 18.3% of the total number of Tsaker Technology Shares in issue as of the Latest Practicable Date, and approximately 15.5% of the total number of Tsaker Technology Shares as enlarged by the Proposal). Upon completion of the Tsaker Technology Listing, at least 25% of the share capital of Tsaker Technology shall be held by public shareholders. Tsaker Technology and its lead underwriter will determine whether the over-allotment option is to be exercised (which shall not exceed 15% of the number of Tsaker Technology Shares to be offered under the Proposal (without taking into account any over-allotment option which may be exercised), that is, not exceeding 1,519,695 Tsaker Technology Shares) based on the actual prevailing circumstances at the time of the allotment.

As of the Latest Practicable Date, there is no floor price of the offer price as required by the BSE, the CSRC or any other PRC authorities. The offer price will be determined (i) by independent negotiation and direct pricing between Tsaker Technology and its lead underwriter, (ii) online bidding by qualified investors, (iii) offline enquiry with qualified investors, or (iv) other methods promulgated by the CSRC and the BSE. The final pricing method will be determined through negotiation between the board of directors of Tsaker Technology (which shall be authorized by its general meeting of shareholders) and the lead underwriter, in accordance with specific circumstances and regulatory requirements taking into account various factors such as market supply and demand, Tsaker Technology's business status, and the results of enquiries with qualified investors.

The Company will make further announcement(s) as appropriate after information relating to the final offer price, number of Tsaker Technology Share to be offered and net proceeds from the Proposal is available.

The Company has performed an analysis of the P/E ratio of all the issuers ("**Listing P/E Ratio**") in recent new public offering transactions (the "**Comparable Transactions**") on the BSE from 1 January 2024 and up to the Latest Practicable Date (the "**Selection Period**"), which are exhaustive based on the available information disclosed on the BSE website. Taking into account (i) no companies with the similar comparable principal business as Tsaker Technology (i.e., high-performance organic pigment intermediates and other fine chemical products) listed on the BSE were found based on the available information disclosed on the BSE website; and (ii) majority of the listed companies on the BSE possess characteristics such as high growth potential, high technological content, and being specialized, sophisticated, distinctive, and innovative enterprises, which are generally consistent with the features of Tsaker Technology, the Company is of the view that although the Comparable Transactions may have different business activities, geographical location, operation scale and profitability with Tsaker Technology, they are fair and representative for the purposes of analysis and

## LETTER FROM THE BOARD

reference, reflecting the recent objective status of the Listing P/E Ratios on the BSE. Besides, the Company is of the view that the Selection Period to be fair and representative as it reflects the recent market condition and also provides an ample amount of Comparable Transactions, which are considered sufficient for this analysis purpose. According to the public disclosures on the BSE website, the offer prices of all these Comparable Transactions were determined by direct pricing between the respective issuers and the lead underwriters. The Comparable Transactions are set out below:

Company name	Stock code	Listing date	Listing P/E Ratio (times)
Shenzhen Kaifa Technology (Chengdu) Co., Ltd.* (成都長城開發科技股份有限公司)	920029	28 March 2025	8.15
Wuhan Honghai Technology Co., Ltd.* (武漢宏海科技股份有限公司)	920108	6 February 2025	14.99
Geovis Insighter Technology Co., Ltd.* (中科星圖測控技術股份有限公司)	920116	2 January 2025	14.98
Fangzheng Valve Group Co., Ltd.* (方正閥門集團股份有限公司)	920082	26 December 2024	8.39
Jiangsu Lintex Advanced Materials Co., Ltd.* (江蘇林泰新材料科技股份有限公司)	920106	18 December 2024	17.94
Shaanxi Kelong New Material Technology Co., Ltd.* (陝西科隆新材料科技股份有限公司)	920098	5 December 2024	14.45
Shengye Electric Co., Ltd.* (勝業電氣股份有限公司)	920128	29 November 2024	15.96
Kunshan WanYuanTong Electronics Technology Co., Ltd.* (昆山萬源通電子科技股份有限公司)	920060	19 November 2024	14.93
Wenzhou Juxing Science And Technology Co., Ltd.* (溫州聚星科技股份有限公司)	920111	11 November 2024	12.73
Hefei Cobel Advanced Plastics Co., Ltd.* (合肥科拜爾新材料股份有限公司)	920066	31 October 2024	13.92
Xinjiang Keli New Technology Development Co., Ltd.* (新疆科力新技術發展股份有限公司)	920088	29 October 2024	14.26
Tongguan Mines Construction Co., Ltd of Tongling Nonferrous Metals Group* (銅陵有色金屬集團銅冠礦山建設股份有限公司)	920019	11 October 2024	14.92

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Company name	Stock code	Listing date	Listing P/E Ratio (times)
Changzhou Ruihua Chemical Eng&Tech Co., Ltd.* (常州瑞華化工工程技術股份有限公司)	920099	25 September 2024	13.12
Anhui Chinaherb Flavors & Fragrances Co., Ltd.* (安徽中草香料股份有限公司)	920016	13 September 2024	14.93
Chengdu Uestc Optical Communications Corp.* (成都成電光信科技股份有限公司)	920008	29 August 2024	14.82
Zhejiang Taihu Yuanda New Material Corp., Ltd.* (浙江太湖遠大新材料股份有限公司)	920118	22 August 2024	11.80
Jiangsu Wanda Special Bearing Co., Ltd.* (江蘇萬達特種軸承股份有限公司)	920002	30 May 2024	14.00
Wuxi Dingbang Heat Exchange Equipment Co., Ltd.* (無錫鼎邦換熱設備股份有限公司)	872931	8 April 2024	14.00
Guangdong Bawei Biotechnology Corporation* (廣東芭薇生物科技股份有限公司)	837023	29 March 2024	14.00
Hubei Gabrielle-Optech Co., Ltd.* (湖北戈碧迦光電科技股份有限公司)	835438	25 March 2024	11.04
Fujian Tietuo Machinery Co., Ltd.* (福建省鐵拓機械股份有限公司)	873706	8 March 2024	16.00
Zhejiang Chemsyn Pharmaceutical Co., Ltd.* (浙江海昇藥業股份有限公司)	870656	2 February 2024	14.53
Xuchang Intelligent Relay Co., Ltd.* (許昌智能繼電器股份有限公司)	831396	26 January 2024	29.66
Hubei Kangnong Seed Industry Co., Ltd.* (湖北康農種業股份有限公司)	837403	18 January 2024	16.34
Beijing Yunxingyu Traffic Technology Ltd.* (北京雲星宇交通科技股份有限公司)	873806	11 January 2024	21.31
Zhejiang Jiezhong Science and Technology Co., Ltd.* (浙江捷眾科技股份有限公司)	873690	5 January 2024	16.98

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Company name	Stock code	Listing date	Listing P/E Ratio (times)
<i>Maximum</i>			29.66
<i>Minimum</i>			8.15
<i>Average</i>			14.93
<i>Median</i>			14.68
<i>Tsaker Technology</i> <sup>(Note)</sup>			13.52

*Note:* For illustrative purposes, the implied P/E ratio of Tsaker Technology are based on (i) the implied market capitalization of approximately RMB1,532.85 million, as computed based on the expected gross proceeds of approximately RMB210 million, divided by the percentage of the Tsaker Technology Shares to be offered in the total Tsaker Technology Shares as enlarged by the Proposal (assuming that the Tsaker Technology Shares to be offered will be approximately 13.7% of the total number of Tsaker Technology Shares as enlarged by the Proposal and the over-allotment option is not exercised); and (ii) Tsaker Technology's net profit attributable to shareholders of the parent company after deduction of non-recurring gain or loss for the year ended 31 December 2024, which is approximately RMB113.4 million.

As illustrated above, the implied P/E ratio of Tsaker Technology of approximately 13.52 times is slightly lower than the average Listing P/E Ratio of Comparable Transactions of approximately 14.93 times and falls within the range of the Listing P/E Ratio of Comparable Transactions of approximately 8.15 times to 29.66 times.

Based on the above, the Company believes that if Tsaker Technology Shares will be offered and listed on the BSE, Tsaker Technology will be able to further enhance its corporate brand and image, and more clearly demonstrate its business and operations to the public, potential investors, and business partners, which will also be beneficial to the Company.

In order to provide the Shareholders with a general reference regarding the valuation of companies listed in the PRC and Hong Kong with business scopes similar to that of Tsaker Technology, the Company has also made its best efforts to search for listed companies engaged in the research, development, production, and sales of fine chemical products such as high-performance organic pigment and/or its intermediates in the PRC (the “**Comparable Companies**”), and analyzed their P/E ratios and P/B ratios, which are commonly used parameters in market comparable analysis.

In selecting the Comparable Companies, the selection criteria focus on companies that (i) are listed on the Stock Exchange, the BSE, the Shenzhen Stock Exchange and the Shanghai Stock Exchange; (ii) are mainly engaged in the research, development, production, and sales of fine chemical products such as high-performance organic pigment and/or its intermediates in the PRC; and (iii) generated profits (after deducting non-recurring gains and losses) in the most recent financial year. Shareholders should note that despite the aforesaid criteria, the business and operation scale of Tsaker Technology is not exactly the same as those of the Comparable Companies, and the Company has not conducted any in-depth investigation into the businesses and operations of the Comparable Companies. For this analysis, the Company has conducted research using public information on the websites of the Stock Exchange, the BSE, the Shenzhen Stock Exchange and the Shanghai Stock Exchange and based on the

## LETTER FROM THE BOARD

aforesaid criteria, identified four Comparable Companies, which the Company believes are exhaustive. Taking into account (i) all these Comparable Companies belong to the fine chemical industry with characteristics of high product added value, high technological content, and a wide range of application fields; (ii) as of the Latest Practicable Date, the Company did not identify any company that directly takes high-performance organic pigments and/or high-performance organic pigment intermediates and other fine chemical products as its major business among all the listed companies on the Stock Exchange and the BSE; and (iii) the Shenzhen Stock Exchange and the Shanghai Stock Exchange are also securities exchanges in the PRC like the BSE, which have similar market backgrounds and investor backgrounds, therefore, the Comparable Companies listed on the Shenzhen Stock Exchange and the Shanghai Stock Exchange possess high representativeness and reference value in aspects such as industry attributes, market maturity, data transparency, valuation logic, and market dynamics, the Company considers that, for the analysis of P/E ratios and P/B ratios, these Comparable Companies are fair and representative samples, and the research on the Comparable Companies provides the Shareholders with a meaningful analysis.

Company name	Stock code	Date of Listing	Market capitalisation as of the Latest Practicable Date <i>RMB' million</i>	Revenue contribution	Historical P/E ratio (times) <i>(Note 2)</i>	Historical P/B ratio (times) <i>(Note 3)</i>
				from comparable business products <i>(Note 1)</i>		
Lily Group Co., Ltd.* (百合花集團股份有限公司)	603823.SH	20 December 2016	4,392.68	93.49%	27.75	1.86
Anshan Hifichem Co., Ltd.* (鞍山七彩化學股份有限公司)	300758.SZ	22 February 2019	6,248.93	98.43%	52.33	3.65
Sunlour Pigment Co., Ltd.* (雙樂顏料股份有限公司)	301036.SZ	29 July 2021	3,766.00	98.54%	33.42	2.31
Longkou Union Chemical Co., Ltd.* (龍口聯合化學股份有限公司)	301209.SZ	25 August 2022	6,965.60	96.98%	121.65	9.56
<b>Maximum</b>					121.65	9.56
<b>Minimum</b>					27.75	1.86
<b>Average</b>					58.79	4.34
<b>Median</b>					42.87	2.98
<b>The Company</b>			622.39	21.07%	N/A <sup>(Note 4)</sup>	0.35
<b>Tsaker Technology</b> <sup>(Note 5)</sup>			1,532.85	100%	13.52	3.49

Source: Wind, the 2024 annual reports of each Comparable Companies and Tsaker Technology

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## LETTER FROM THE BOARD

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*Notes:*

1. Revenue contribution from pigment (intermediate) and other products of the Comparable Companies over total revenue for their latest financial years is based on the information disclosed in their 2024 annual reports.
2. Historical P/E ratio is calculated based on the respective closing share price on the Latest Practicable Date, multiplied by the number of issued shares of the companies as of the Latest Practicable Date sourced from the websites of the Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange, divided by their respective net profit attributable to shareholders of the parent company after deduction of non-recurring gain or loss disclosed in their 2024 annual reports.
3. Historical P/B ratio is calculated based on the respective closing share price on the Latest Practicable Date, multiplied by the number of issued shares of the companies as of the Latest Practicable Date sourced from the websites of the Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange, divided by their net asset attributable to shareholders of the parent company as of 31 December 2024 disclosed in their 2024 annual reports.
4. The historical P/E ratio of the Company is not applicable because it recorded net loss attributable to shareholders of the parent company for the year ended 31 December 2024 as disclosed in its 2024 annual report published on 17 April 2025.
5. For illustrative purpose, the implied market capitalisation of Tsaker Technology is computed based on the expected gross proceeds of approximately RMB210 million divided by the percentage of the Tsaker Technology Shares to be offered in the total Tsaker Technology Shares as enlarged by the Proposal (assuming that the Tsaker Technology Shares to be offered will be approximately 13.7% of the total number of Tsaker Technology Shares as enlarged by the Proposal and the over-allotment option is not exercised).

The implied P/E ratio and P/B ratio of Tsaker Technology are based on the implied market capitalisation above, divided by (i) the net profit attributable to the shareholders of the parent company after deducting non-recurring gain or loss for the year ended 31 December 2024; and (ii) the net asset attributable to the shareholders of the parent company as of 31 December 2024, respectively.

6. Where amounts in HK\$ are translated into RMB, the exchange rate on the Latest Practicable Date of HK\$1.00 equivalent to RMB0.92903 has been used.

*Compare with the implied P/E ratio and P/B ratio of Tsaker Technology*

As shown in the above table, the historical P/E ratios of the Comparable Companies range from approximately 27.75 times to 121.65 times, with an average and a median being approximately 58.79 times and 42.87 times, respectively. Tsaker Technology's implied P/E ratio is approximately 13.52 times, which is lower than the range of the historical P/E ratios of the Comparable Companies. The Company considers that Tsaker Technology's implied P/E ratio is lower than the average historical P/E ratios of the Comparable Companies for the following reasons: (i) each Comparable Company operates in a different business environment, with varying operational performances, business models, and market focuses; and (ii) it is common and reasonable for the offering price of new public offering with implied P/E ratio lower than the P/E ratios of already-listed Comparable Companies. The lower P/E ratio incentivizes investors to participate in the new public offering, compensating them for the additional risks associated with a new listing, such as limited historical trading performance for reference.

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## LETTER FROM THE BOARD

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In addition, the Company understands that the P/E ratio of Longkou United Chemical Co., Ltd. is higher than the average historical P/E ratios of the Comparable Companies due to (a) this company have strong revenue and profit-growth capabilities recently, and (b) there is a significant market expectation of its growth. For the year ended 31 December 2024, the revenue of Longkou Union Chemical Co., Ltd. increased by approximately 24.8% as compared with that in the previous year, with the net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses growing by approximately 80.9% as compared with that in the previous year.

At the same time, the historical P/B ratios of the Comparable Companies range from approximately 1.86 times to 9.56 times, with an average and a median being approximately 4.34 times and 2.98 times, respectively. Tsaker Technology's implied P/B ratio is approximately 3.49 times, which is higher than the median of the historical P/B ratios of the Comparable Companies, lower than the average of the historical P/B ratios of the Comparable Companies, and within the range of the historical P/B ratios of the Comparable Companies.

### *Compare with the historical P/B ratio of the Company*

The implied P/B ratio of Tsaker Technology is higher than the historical P/B ratio of the Company, which is primarily because that the product nature, production process and business model of different business segments of the Company are different, and the overall net asset structure of the Company is significantly different from that of Tsaker Technology. In particular, as of 31 December 2024, the net assets of Tsaker Technology and the Company attributable to shareholders of the parent company was approximately RMB439.1 million and RMB1,764.9 million, respectively. Meanwhile, for the year ended 31 December 2024, Tsaker Technology recorded the net profit attributable to shareholders of the parent company after deduction of non-recurring gain or loss of approximately RMB113.4 million, while the Company recorded the net loss attributable to shareholders of the parent company after deduction of non-recurring gain or loss of approximately RMB21.1 million. Therefore, Tsaker Technology had smaller net asset scale, stronger profitability and higher return on net assets compared with the Company, which also resulted in its higher implied P/B ratio as compared with the historical P/B ratio of the Company.

At the same time, the Company's historical P/B ratio is lower than the average historical P/B ratio of the Comparable Companies.

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## LETTER FROM THE BOARD

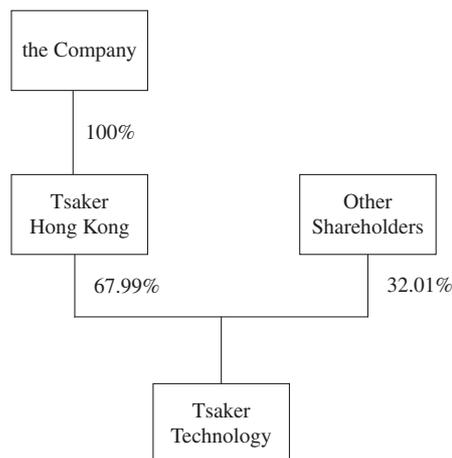
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The Company also notes that (i) the direct pricing method is more prevalent for listing on the BSE recently; (ii) the Company and other existing shareholders of Tsaker Technology intend to closely refer to and focus on market valuations, especially the Listing P/E Ratio of the Comparable Transactions and the P/E ratio and P/B ratio of other comparable companies listed in the PRC in the same industry as Tsaker Technology, when negotiating with the lead underwriter to determine the offer price; and (iii) the implied P/E ratio of Tsaker Technology in the Proposal is within the range of the Listing P/E ratios of the Comparable Transactions, the implied P/B ratio of Tsaker Technology in the Proposal is within the range of the historical P/B ratios of the Comparable Companies, and the average P/B ratios of these Comparable Companies are higher than the historical P/B ratio of the Company as illustrated above. Considering the above, the Company believes that if Tsaker Technology Shares will be offered at the implied P/E ratio comparable to the Listing P/E ratios of Comparable Transactions and at the implied P/B ratios comparable to the historical P/B ratios of the Comparable Companies, as this in effect reflects the value of the Company's pigment intermediate and new material business, is in the interests of the Company and the Shareholders as a whole.

### **Effect on the Group's shareholding in Tsaker Technology**

As of the Latest Practicable Date, 63,571,427 Tsaker Technology Shares were in issue, out of which the Company indirectly held 43,223,644 Tsaker Technology Shares (representing approximately 67.99% of the issued share capital of Tsaker Technology). Set out below are simplified diagrams illustrating the Group's shareholding in Tsaker Technology as of the Latest Practicable Date and upon completion of the Proposal:

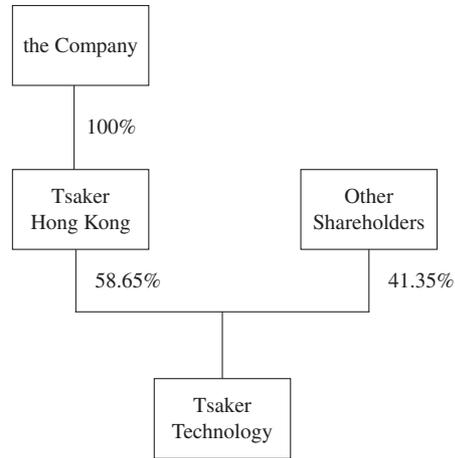
#### *a. as of the Latest Practicable Date*



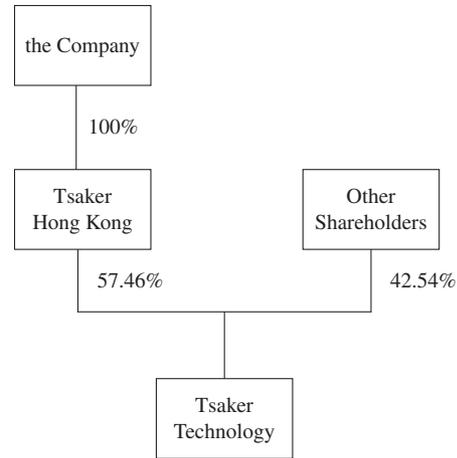
## LETTER FROM THE BOARD

### b. immediately upon completion of the Proposal

*If the over-allotment option is not exercised:*



*If the over-allotment option is fully exercised:*



*Notes:*

1. Assuming (a) the maximum number of Tsaker Technology Shares currently under the Proposal will be issued, and (b) except for the Proposal, there being no changes in the shareholding in Tsaker Technology from the Latest Practicable Date up to the completion of the Proposal.
2. Figures are subject to rounding.
3. The Tsaker Technology Shares are currently quoted on the NEEQ. So far as the Company is aware of, as of the Latest Practicable Date, other shareholders of Tsaker Technology included (but not limited to): Tianjin Huihua Corporate Consultancy Partnership (Limited Partnership)\* (天津匯華企業管理諮詢合夥企業(有限合夥)), 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)), Mr. PAN Deyuan (a non-executive Director of the Company), Wuxi Xingaudi 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)), Hebei Structural Reform Fund (Limited Partnership)\* (河北結構調整基金(有限合夥)), Zhongtai Securities Co., Ltd.\* (中泰證券股份有限公司) and Cang County Cangfu Equity Investment Fund (Limited Partnership)\* (滄縣滄服股權投資基金(有限合夥)).
4. References are made to a series of announcements of the Company dated 14 November 2024, 22 November 2024, 25 November 2024, 4 December 2024 and 16 December 2024 in which the Company disclosed the repurchase rights (the “**2024 Repurchase Rights**”) granted by Tsaker Hong Kong to 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 Xingaudi 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)), Hebei Structural Reform Fund (Limited Partnership)\* (河北結構調整基金(有限合夥)), Zhongtai Securities Co., Ltd.\* (中泰證券股份有限公司) and Cang County Cangfu Equity Investment Fund (Limited Partnership)\* (滄縣滄服股權投資基金(有限合夥)) (collectively, the “**Counterparties**”). Under the 2024 Repurchase Rights, in the event that Tsaker Technology fails to consummate a proposed listing on the BSE on 31 December 2027, each of the Counterparties shall have the right to require Tsaker Hong Kong (or its designated third party other than Tsaker Technology) to pay the repurchase price (the “**Repurchase Price**”) to repurchase all or part of its shares in Tsaker Technology under their corresponding agreements dated 14 November 2024 and 25 November 2024, respectively. The “**Repurchase Price**” shall be the consideration paid by the Counterparties for the portion of the shares in Tsaker Technology to be repurchased, plus an interest at a rate of 8% per annum on such consideration. From the date on which the Counterparties have fully paid the consideration in relation to their shares in Tsaker Technology to the date of actual receipt in full of the Repurchase Price, the dividends (tax inclusive) of Tsaker Technology distributed to them in respect of the relevant shares repurchased by Tsaker Hong Kong (or its designated third party other than Tsaker Technology ) shall be deducted from the Repurchase Price.

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## LETTER FROM THE BOARD

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### **Indicative timetable of the Proposal**

Tsaker Technology has appointed a sponsor for the Proposal. It has submitted the listing counselling materials to the Hebei Supervisory Office of the CSRC on 22 October 2024. The counselling is expected to be completed in the second quarter of 2025. Tsaker Technology expects to submit the application to the BSE in the second quarter of 2025. As of the Latest Practicable Date, no formal application for the Tsaker Technology Listing had been filed with the relevant regulatory authorities in the PRC.

The Tsaker Technology Shares will cease to be quoted on the NEEQ on the first day of listing on the BSE.

Shareholders and potential investors are reminded that the above timetable is estimated by Tsaker Technology for reference only. There is no assurance that the Proposal will complete according to the timetable, or at all.

### **Conditions of the Proposal**

The Proposal will be conditional upon:

- (a) approval of the Deemed Disposal by the Shareholders of the Company;
- (b) approval of the Proposal by the board of directors and the shareholders of Tsaker Technology;
- (c) approval of and/or registration with of the BSE and the CSRC in relation to the Tsaker Technology Listing;
- (d) Tsaker Technology having satisfied all applicable listing conditions (including applicable financial performance requirements); and
- (e) any other PRC regulatory approvals required by the relevant laws and regulations.

As of the Latest Practicable Date, (i) the Company has obtained irrevocable and unconditional written approvals for the Proposal from the Closely Allied Group on 25 April 2025, (ii) the Proposal had been approved by the board of directors of Tsaker Technology on 25 April 2025, and (iii) none of other conditions have been fulfilled. None of the above conditions is waivable. If any one of the conditions is not fulfilled, the Proposal will not proceed.

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## LETTER FROM THE BOARD

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### Lock up and non-competition undertakings

As required by the relevant listing rules of the BSE, Tsaker Hong Kong (a wholly-owned subsidiary of the Company, and the direct controlling shareholder of Tsaker Technology) and Mr. GE Yi (the beneficial controller of Tsaker Technology), will undertake that (among other things):

- (a) from the day after the record date of the general meeting on which the Proposal is approved by the shareholders of Tsaker Technology, up to the date on which the Tsaker Technology Shares are listed on the BSE (the “**BSE Listing Date**”) (unless the Proposal is terminated earlier), it/he will not dispose of any Tsaker Technology Share;
- (b) for a period of 12 months commencing from the BSE Listing Date (the “**Lock-up Period**”), it/he will not reduce its/his shareholding (directly or indirectly) in Tsaker Technology, it/he will not entrust other party to manage its/his Tsaker Technology Shares, or dispose of or otherwise (such as being repurchased by Tsaker Technology) affect the rights attached to those Tsaker Technology Shares;
- (c) the Lock-up Period will be automatically extended for at least a further six-month period if, (i) within six months of the BSE Listing Date, the closing prices of the shares of Tsaker Technology for 20 consecutive trading days are lower than the offer price, or (ii) the closing price at the end of the six-month period after the BSE Listing Date is lower than the offer price;
- (d) in the event that, after the Tsaker Technology Listing, Tsaker Technology is suspected of committing securities and futures related illegal or criminal acts or major violations, its/his shareholding (directly or indirectly) in Tsaker Technology will be voluntarily lock-up within six months from the discovery of aforementioned acts or violations; in the event that, after the Tsaker Technology Listing, it/he is suspected of committing securities and futures related illegal or criminal acts or major violations, its/his shareholding (directly or indirectly) in Tsaker Technology will be voluntarily lock-up within 12 months from the discovery of aforementioned acts or violations;
- (e) for a period of 24 months after the expiry of the Lock-up Period, it/he will not transfer its/his shares of Tsaker Technology at a price lower than the offer price; and
- (f) it will not directly or indirectly control, invest or engage in any other manner any business or activity which competes or may compete with the business of Tsaker Technology; and it will not provide funding, technology, sales channel and customer information support to any entity which competes with Tsaker Technology. Otherwise, it will also transfer to Tsaker Technology or independent third parties, or terminate the competing business (if any). It will also vote against any proposal of directly or indirectly engaging in any business same or similar as the business Tsaker Technology intends to engage in.

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## LETTER FROM THE BOARD

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It is also expected that Tsaker Hong Kong and Mr. GE Yi will provide other undertakings or documents or agreements required by the relevant listing rules of the BSE, or which are customarily provided by the issuer's ultimate controller and/or controlling shareholder (as may be applicable) in a transaction of similar nature. It is currently expected that these include undertakings to standardize and reduce related-party transactions, profit distribution, take remedial actions and to compensate loss of Tsaker Technology and investors for breach of undertakings, undertakings on stock price stabilisation measures, content of prospectus and other listing application documentations, and (if any) such other undertakings as may be required by the CSRC, BSE or other relevant authorities in the application and listing process.

### **Intended use of proceeds**

The net proceeds from the Proposal cannot be determined yet at this stage as the exact offer price and the size of the Proposal are not determined.

Based on the estimates of the board of directors of Tsaker Technology and the funding requirements of Tsaker Technology, Tsaker Technology proposes to raise an amount of gross proceeds of approximately RMB210 million from the Proposal. After comprehensively considering various factors such as its future development strategy, business development requirements and project investment plans, Tsaker Technology currently intends to apply the net proceeds from the Proposal (after deducting related expenses) on, among other things:

- (a) as to approximately 28.6%, expansion project with an annual output of 5,000 tons of dimethyl succinate (“**DMS**”) and 1,500 tons of dimethyl succinylsuccinate (“**DMSS**”);
- (b) as to approximately 28.6%, phase II construction project with an annual output of 500 tons of new functional materials, 3,3',4,4'-biphenyltetracarboxylic dianhydride products (“**BPDA**”);
- (c) as to approximately 21.4%, expansion project with an annual output of 1,000 tons of 2,5-dianilinoterephthalic acid (“**DATA**”); and
- (d) as to approximately 21.4%, research and development (“**R&D**”) center upgrade project.

The aforementioned projects are all expected to be carried out by Tsaker Technology in its existing factory in Hebei Province. Residual proceeds, if any, will be applied on the Tsaker Technology's principal business, or otherwise in compliance with the relevant requirements of the CSRC or the BSE. Besides, in the event that the net proceeds are insufficient to satisfy the total capital requirements of these projects, the net proceeds will be allocated according to the importance and schedule of these projects and the above allocation proportion may be adjusted, if necessary, through required procedures, and the shortfall is planned to be further supported by Tsaker Technology's self-raised funds, which are primarily generated from operating activities and external financing such as bank borrowings. The Company will make further announcement(s) as appropriate if there is any adjustment to the above allocation proportion of the net proceeds.

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## LETTER FROM THE BOARD

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### INFORMATION OF TSAKER TECHNOLOGY

Tsaker Technology is a non-wholly owned subsidiary of the Company. Its shares are currently quoted on the Innovation Tier of the NEEQ (stock code: 873772). As of the Latest Practicable Date, Tsaker Technology had a registered capital RMB63,571,427. Tsaker Hong Kong (a wholly-owned subsidiary of the Company) held approximately 67.99% of Tsaker Technology's issued share capital as of the Latest Practicable Date.

Tsaker Technology is a high-tech enterprise specialized in the research, development, production, and sales of high-performance organic pigment intermediates and other fine chemical products. Its existing products include DMS, DMSS, DATA, DMAS, BPDA, etc. The downstream applications of these products are mainly in the fields of high-performance organic pigments, food additives, light stabilizers and new material polyimide.

Below are summaries selected consolidated financial information of Tsaker Technology prepared under the China Accounting Standards for Business Enterprises for the periods/dates indicated:

	Year ended 31 December		
	2022	2023	2024
	(RMB'000, audited)	(RMB'000, audited)	(RMB'000, audited)
Revenue	360,758	376,960	454,460
Net profit before tax	87,294	98,972	135,178
Net profit attributable to shareholders of the parent company	83,223	85,577	115,625
Net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss	75,621	78,792	113,420

	As of 31 December		
	2022	2023	2024
	(RMB'000, audited)	(RMB'000, audited)	(RMB'000, audited)
Total assets	380,526	464,780	544,327
Net assets attributable to shareholders of the parent company	286,198	348,481	439,143

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## LETTER FROM THE BOARD

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### INFORMATION OF THE COMPANY AND TSAKER HONG KONG

The principal business of the Company and its subsidiaries involves the production and sales of various products such as battery materials, dye and agricultural chemical intermediates, pigment intermediates and new materials.

Tsaker Hong Kong is a direct wholly-owned subsidiary of the Company and is principally engaged in the holding of the Group's subsidiaries.

### FINANCIAL IMPACT OF THE PROPOSAL ON THE GROUP

The Group considers that it would retain control over Tsaker Technology immediately after completion of the Proposal. Considering that the Group is the single largest shareholder of Tsaker Technology, the expected remaining shareholders of Tsaker Technology and the Group's power to participate in the relevant activities of Tsaker Technology, the Directors are of the view that the Company would have control over Tsaker Technology immediately after the completion of the Proposal. Therefore, Tsaker Technology will continue to be regarded as a subsidiary of the Group and its financial results will continue to be accounted for and consolidated into the financial results of the Group upon completion of the Proposal.

#### Earnings

It is expected the Deemed Disposal would not result in disposal gain or loss on the Group's consolidated financial results.

The Proposal will constitute a deemed disposal of the Group's interest in Tsaker Technology. It is expected that the difference between the net proceeds from the allotment and the change in share of consolidated net asset value of Tsaker Technology by the non-controlling interests upon completion of the Proposal will be recorded in equity attributable to owners of the Company. Based on the assumption that the allotment will result in a dilution of the Group's interest in Tsaker Technology from approximately 67.99% as of the Latest Practicable Date to approximately 57.46% immediately after the completion of the Proposal (if the over-allotment option is fully exercised), it is expected that the percentage of the earnings attributable to owners of the Company contributed by Tsaker Technology will decrease while the percentage of the earnings attributable to the non-controlling interests of the Company will increase.

#### Assets and liabilities

It is expected the Proposal will increase the amount of cash recorded in the consolidated statement of financial position of the Group and the total assets of the Group correspondingly. The completion of the Proposal will result in the termination of the obligation under the 2024 Repurchase Rights granted by Tsaker Hong Kong, which will lead to a decrease in financial liabilities and an increase in reserves of the Group. Besides, it is expected that the Company's equity interest in Tsaker Technology would not be affected by such termination of the

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## LETTER FROM THE BOARD

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obligation under the 2024 Repurchase Rights. As of 31 December 2024, considerations received from independent investors for partial disposal of the equity interests in Tsaker Technology with the 2024 Repurchase Rights given to these independent investors were accounted for and disclosed as non-current financial liabilities, the amount of which recorded in the Group's consolidated statement of financial position was approximately RMB102.0 million.

### **REASONS FOR AND BENEFITS OF THE PROPOSAL AND THE DEEMED DISPOSAL**

Tsaker Technology Shares have been quoted on the NEEQ since August 2022. The Company considers that by transferring the listing of the Tsaker Technology Shares from the NEEQ to the BSE, it will enable Tsaker Technology, currently with shares quoted on the NEEQ, to obtain the status of a listed company, which will allow Tsaker Technology to:

- (a) leverage on the broader investor base and the higher trading volume of the BSE, thereby enhancing the trading activity and liquidity of the shares of Tsaker Technology and reflecting the fair value of Tsaker Technology for the benefit of the shareholders;
- (b) enhance the corporate image and reputation of Tsaker Technology and improve Tsaker Technology's ability to attract strategic investors with which it can create synergies;
- (c) enhance Tsaker Technology's efficiency in capital market financing, enhance its corporate governance and accelerate its corporate development; and
- (d) further improve the Company's financial structure, reduce its gearing ratio, enhance its capital strength, thus contributing to the business development of the Company.

Further, Tsaker Technology intends to use the proceeds from the Proposal in projects that will enhance its production capacity of pigment intermediate and new material products, i.e., DMS, DMSS, DATA and BPDA. By implementing the above projects, Tsaker Technology can enhance its competitive advantage and ultimately, increase its market share and profitability. The combined benefits of increased liquidity and production capacity promote higher revenue and profit, which can in turn provide higher returns for the Company's shareholders in future.

Having considered the benefits of the Proposal, its terms and how the offer size and offer price will be determined, the Directors believe that the terms of the Proposal (including the Deemed Disposal) will be fair and reasonable, and the Proposal (including the Deemed Disposal) is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

As part of the Proposal, Tsaker Technology will allot Tsaker Technology Shares, which will reduce the Group's shareholding percentage in Tsaker Technology. Such allotment, if materialised, will constitute a deemed disposal of the interest in a subsidiary of the Group under Rule 14.29 of the Listing Rules. Application has been made to, and approval has been obtained from, the Stock Exchange for the adoption of the Alternative Tests in respect of the Deemed Disposal pursuant to Rule 14.20 of the Listing Rules. As the highest applicable percentage ratio (after adopting the Alternative Tests) (i) calculated pursuant to Rule 14.07 of the Listing Rules based on the expected size of the Deemed Disposal may be higher than 25% but less than 75%, and (ii) when aggregated with the 2024 Disposals pursuant to Rule 14.22 of the Listing Rules, may be higher than 25% but less than 75%, the Deemed Disposal may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and subject to the reporting, announcement and shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder is materially interested in the Proposal and no Shareholder is required to abstain from voting at a general meeting of the Company approving the Proposal. The Company has obtained irrevocable and unconditional written approvals for the Proposal from the Closely Allied Group who together held 533,351,000 Shares (representing approximately 54.93% of the issued share capital of the Company as of the Latest Practicable Date) on 25 April 2025. The Closely Allied Group comprises the following Shareholders:

<b>Name of the Shareholders</b>	<b>Number of Shares interested</b>	<b>Percentage of shareholding<sup>(6)</sup></b>
Cavalli Enterprises Inc. <sup>(1)</sup>	133,337,750	13.73%
Hero Time Ventures Limited <sup>(2)(3)</sup>	133,337,750	13.73%
Star Path Ventures Limited <sup>(2)(4)</sup>	133,337,750	13.73%
Radiant Pearl Holdings Limited <sup>(2)(5)</sup>	133,337,750	13.73%

*Notes:*

- (1) As of the Latest Practicable Date, Cavalli Enterprises Inc. is wholly-owned by Mr. GE Yi.
- (2) On 24 June 2019, Mr. GE Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Pursuant to the voting right transfer deed, the voting rights of each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited in the Shares were transferred to Mr. GE Yi.
- (3) The ultimate beneficial owner of Hero Time Ventures Limited is Mr. GE Chengyu, a child under the age of 18 of Mr. GE Yi.
- (4) The ultimate beneficial owner of Star Path Ventures Limited is Ms. GE Chenghui, a child under the age of 18 of Mr. GE Yi.
- (5) The ultimate beneficial owner of Radiant Pearl Holdings Limited is Ms. QI Lin, the spouse of Mr. GE Yi.
- (6) Figures are subject to rounding.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Proposal has been satisfied in lieu of a Shareholders' general meeting of the Company.

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## LETTER FROM THE BOARD

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It is currently expected that the gross proceeds to be raised from the Proposal will be approximately RMB210 million (which is the maximum amount currently available for calculating the applicable percentage ratio, based on a comprehensive consideration of various factors, including Tsaker Technology's current business operations, future development plans, the minimum requirements for the number of shares to be issued in the public offering by the BSE, as well as the total amount of funds required for the project investment plans determined by Tsaker Technology and its lead underwriter) in consideration of Tsaker Technology's current expansion plan and the intended use of proceeds. With reference to (a) the recent trend of the market prices of the Shares as quoted on the Stock Exchange and the proposed offer price, and (b) the financial performance of the Company and Tsaker Technology, the Company considers it is not likely for the Proposal, solely and when aggregating with the 2024 Disposals, to be classified as a very substantial disposal under Chapter 14 of the Listing Rules based on its highest applicable percentage ratio assuming that there being no unforeseen material changes. The Group currently under Chapter 14 of the Listing Rules does not expect for the offering size of the Tsaker Technology Shares to exceed a level which would render the applicable consideration ratio (as defined under the Listing Rules) to reach 75% or higher (being approximately RMB461 million, and when aggregating with the 2024 Disposals, being approximately RMB421 million, for illustrative purpose only, based on the market capitalisation of the Company with reference to closing prices quoted on the Stock Exchange on five business days preceding (and including) the Latest Practicable Date). If at the time immediately prior to the determination of the final offer price, the percentage ratio of the Deemed Disposal, solely or when aggregating with the 2024 Disposals, will reach 75% or higher, the Group will only proceed with the final pricing and the proposed listing after complying with the additional disclosure and other additional requirements applicable to a very substantial disposal.

To the best of the Directors' knowledge, information and belief, none of the Directors have a material interest in the Proposal (including the Deemed Disposal), and none of them are required to abstain, or has abstained, from voting on the relevant Board resolutions to approve the same.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Proposal are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By order of the board  
**Tsaker New Energy Tech Co., Limited**  
**GE Yi**  
*Chairman*

\* For identification purpose only

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements for each of the years ended 31 December 2022, 2023 and 2024 of the Company together with relevant notes thereto have been disclosed in the following documents published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.tsaker.com>).

- Audited consolidated financial statements for the year ended 31 December 2024: pages 163 to 298 of the Company's 2024 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0417/2025041700299.pdf>), which was posted on 17 April 2025.
- Audited consolidated financial statements for the year ended 31 December 2023: pages 183 to 318 of the Company's 2023 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0409/2024040900258.pdf>), which was posted on 9 April 2024.
- Audited consolidated financial statements for the year ended 31 December 2022: pages 157 to 294 of the Company's 2022 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041700532.pdf>), which was posted on 17 April 2023.

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 25 March 2025, being the indebtedness date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness were as follows:

### Bank borrowings

As at the close of business on 25 March 2025, the Group had total bank borrowings of approximately RMB184.50 million, among which, (i) approximately RMB50.00 million were unsecured and unguaranteed, and (ii) approximately RMB134.50 million were secured or guaranteed by the following:

- Bank borrowings of approximately RMB20.00 million were unguaranteed and secured by the Group's property, plant and equipment.
- Bank borrowings of approximately RMB40.00 million were unguaranteed and secured by the Group's right-of-use assets.
- Bank borrowings of approximately RMB10.00 million were unguaranteed and secured by the Group's intangible assets.
- Bank borrowings of approximately RMB64.50 million were unsecured and guaranteed by the subsidiaries of the Group.

**Lease liabilities**

- As at the close of business on 25 March 2025, the Group had lease liabilities of approximately RMB0.04 million, all of which were unsecured and unguaranteed.

**Other borrowings**

As at the close of business on 25 March 2025, the Group had other borrowings of approximately RMB14.54 million, which were unguaranteed and secured by the Group's property, plant and equipment.

Save as aforesaid or as otherwise disclosed herein, apart from intra-group liabilities and normal trade payables, accruals and other payables in the ordinary course of business, at the close of business on 25 March 2025, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the internally generated funds, available facilities, as well as the impact of and proceeds from the Deemed Disposal, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as of the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

**5. FINANCIAL AND OPERATIONAL PROSPECT**

The Group focuses on the R&D, production and sales of new energy battery materials, pigment intermediates and new materials, dye and agricultural chemical intermediates. In 2024, the Group focused on the development of its core business, continuously enhanced its R&D capabilities, and continuously improved its sales channels to enhance its comprehensive competitiveness.

**Focus on innovation and R&D**

In order to maintain its dominant market position and meet the constantly upgrading market demand, the Group continues to enhance its technological innovation capabilities and R&D capabilities, adheres to the core driving force of independent R&D and innovation, and attaches great importance to the in-depth industry-university-research cooperation with universities and research institutes. The Group continues to optimize its production process of products, improves product quality and reduces production costs, so as to ensure that the technical level of its products remains in a leading position in the industry.

Looking forward, the Group will continue to focus on product innovation and R&D, strive to achieve breakthroughs in the technical aspects of the products of each business segment, maintain the market competitive advantages of its existing products, and actively explore new business growth opportunities and directions, so as to consolidate the Group's comprehensive competitive advantages.

**Stable distribution network**

The Group has an experienced and professional sales team to support and strengthen its sales position in the domestic and overseas markets. It attaches great importance to long-term cooperation with customers and has won their trust and praise by providing high-quality technical support. Through in-depth understanding of customer needs and continuous optimization of sales strategies, the Group ensures that its products can accurately reach the target customer groups, further consolidating its sales network.

Looking forward, the Group will continue to optimize its sales structure and marketing strategies based on market conditions and industry policies. The Group will adhere to the corporate philosophy of "Build a Better World with Green Technology", focus on established strategic objectives, maintain a proactive and stable operation and financial strategies, and relentlessly pursue the Group's continuous, stable and healthy development.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. INTEREST IN SECURITIES

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

#### (i) Interest in the Shares and Underlying Shares of the Company

Name of Director	Nature of interest	Number of ordinary Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Mr. GE Yi	Interest in a controlled corporation	133,337,750 (L) <sup>(3)</sup>	13.73%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO/Interest of children under 18/Interest of spouse	400,013,250 (L) <sup>(4)</sup>	41.20%
Mr. PAN Deyuan	Beneficial owner	69,698,000 (L)	7.18%
Mr. FONTAINE Alain Vincent	Beneficial owner	186,776 (L)	0.02%

*Notes:*

- (1) The letter “L” denotes long position in the Shares.
- (2) As of the Latest Practicable Date, the total number of issued Shares of the Company was 970,918,000 Shares.
- (3) These Shares represent Shares held by Cavalli Enterprises Inc. which is wholly-owned by Mr. GE Yi, and Mr. GE Yi is deemed to be interested in the same pursuant to the SFO.
- (4) On 24 June 2019, Mr. GE Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Pursuant to the voting right transfer deed, the voting rights of each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited in the Shares were transferred to Mr. GE Yi. As such, Mr. GE Yi is deemed to be interested in 133,337,750 Shares (long position) which each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited is interested in (i.e., in aggregate 400,013,250 Shares) as of the Latest Practicable Date pursuant to section 317 of the SFO.

Mr. GE Yi, as the spouse of Ms. QI Lin, is deemed to be interested in the Shares which Ms. QI Lin is interested or deemed to be interested in under the SFO.

Each of Mr. GE Chengyu and Ms. GE Chenghui is a child under the age of 18 of Mr. GE Yi. Mr. GE Yi is deemed to be interested in the Shares which each of Mr. GE Chengyu and Ms. GE Chenghui is interested in or deemed to be interested in under the SFO.

*(ii) Interest in the Associated Corporations of the Company*

Name of Director	Name of associated corporations	Nature of interest	Number of Shares held	Approximate percentage of shareholding in the associated corporations
Mr. PAN Deyuan	Tsaker Technology	Beneficial owner	2,521,008	3.97%

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**Substantial Shareholders' Interest and Short Positions in Shares and Underlying Shares**

As of the Latest Practicable Date, to the knowledge of the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Cavalli Enterprises Inc.	Beneficial owner	133,337,750 (L)	13.73%
Ms. QI Lin	Interest of spouse	133,337,750 (L) <sup>(3)</sup>	13.73%
	Interest in a controlled corporation	133,337,750 (L) <sup>(4)</sup>	13.73%
	Interest of children under 18	266,675,500 (L) <sup>(5)</sup>	27.46%
Mr. GE Chengyu	Interest in a controlled corporation	133,337,750 (L) <sup>(6)</sup>	13.73%
Ms. GE Chenghui	Interest in a controlled corporation	133,337,750 (L) <sup>(7)</sup>	13.73%
Hero Time Corporate Management Pte. Ltd.	Interest in a controlled corporation	133,337,750 (L) <sup>(8)</sup>	13.73%
Star Path Corporate Management Pte. Ltd.	Interest in a controlled corporation	133,337,750 (L) <sup>(9)</sup>	13.73%
Hero Time Ventures Limited	Beneficial owner	133,337,750 (L)	13.73%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO	400,013,250 (L) <sup>(10)</sup>	41.20%
Star Path Ventures Limited	Beneficial owner	133,337,750 (L)	13.73%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO	400,013,250 (L) <sup>(11)</sup>	41.20%

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Radiant Pearl Holdings Limited	Beneficial owner	133,337,750 (L)	13.73%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO	400,013,250 (L) <sup>(12)</sup>	41.20%

*Notes:*

- (1) The letter “L” denotes long position in the Shares.
- (2) As of the Latest Practicable Date, the total number of issued Shares of the Company was 970,918,000 Shares.
- (3) Ms. QI Lin, as the spouse of Mr. GE Yi, is deemed to be interested in the 133,337,750 Shares which Mr. GE Yi is interested or deemed to be interested in under the SFO.
- (4) Radiant Pearl Holdings Limited is wholly-owned by Ms. QI Lin, and Ms. QI Lin is deemed to be interested in the 133,337,750 Shares which Radiant Pearl Holdings Limited is interested in pursuant to the SFO.
- (5) Each of Mr. GE Chengyu and Ms. GE Chenghui is a child under the age of 18 of Ms. QI Lin. Mr. GE Chengyu holds all shares in Hero Time Ventures Limited through his wholly-owned company Hero Time Corporate Management Pte. Ltd., and Ms. GE Chenghui holds all shares in Star Path Ventures Limited through her wholly-owned company Star Path Corporate Management Pte. Ltd. Each of Mr. GE Chengyu and Ms. GE Chenghui is deemed to be interested in the Shares held by Hero Time Ventures Limited and Star Path Ventures Limited, respectively. As such, Ms. QI Lin is deemed to be interested in the 133,337,750 Shares owned by each of Hero Time Ventures Limited and Star Path Ventures Limited (i.e., in aggregate 266,675,500 Shares).
- (6) Hero Time Corporate Management Pte. Ltd. holds 100% interest in Hero Time Ventures Limited, and Hero Time Corporate Management Pte. Ltd. is wholly-owned by Mr. GE Chengyu. Hence, Mr. GE Chengyu is deemed to be interested in the Shares in which Hero Time Ventures Limited is interested in pursuant to the SFO.
- (7) Star Path Corporate Management Pte. Ltd. holds 100% interest in Star Path Ventures Limited, and Star Path Corporate Management Pte. Ltd. is wholly-owned by Ms. GE Chenghui. Hence, Ms. GE Chenghui is deemed to be interested in the Shares in which Star Path Ventures Limited is interested in pursuant to the SFO.
- (8) Hero Time Ventures Limited is wholly-owned by Hero Time Corporate Management Pte. Ltd., and Hero Time Corporate Management Pte. Ltd. is deemed to be interested in the 133,337,750 Shares which Hero Time Ventures Limited is interested in under the SFO.
- (9) Star Path Ventures Limited is wholly-owned by Star Path Corporate Management Pte. Ltd., and Star Path Corporate Management Pte. Ltd. is deemed to be interested in the 133,337,750 Shares which Star Path Ventures Limited is interested in under the SFO.
- (10) On 24 June 2019, Mr. GE Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Pursuant to the voting right transfer deed, the voting rights of each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star

Path Ventures Limited in the Shares were transferred to Mr. GE Yi. Hence, Hero Time Ventures Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. GE Yi, Radiant Pearl Holdings Limited and Star Path Ventures Limited are interested in, pursuant to section 317 of the SFO.

- (11) On 24 June 2019, Mr. GE Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Pursuant to the voting right transfer deed, the voting rights of each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited in the Shares were transferred to Mr. GE Yi. Hence, Star Path Ventures Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. GE Yi, Radiant Pearl Holdings Limited and Hero Time Ventures Limited are interested in, pursuant to section 317 of the SFO.
- (12) On 24 June 2019, Mr. GE Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Pursuant to the voting right transfer deed, the voting rights of each of Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited in the Shares were transferred to Mr. GE Yi. Hence, Radiant Pearl Holdings Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. GE Yi, Hero Time Ventures Limited and Star Path Ventures Limited are interested in, pursuant to section 317 of the SFO.

Save as disclosed above, as of the Latest Practicable Date, the Directors have not been aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

### **3. MATERIAL LITIGATION**

The Directors confirm that, as of the Latest Practicable Date, no member of the Group was involved in any material litigation or arbitration and no material litigation or claim is known to the Directors to be pending or threatened by or against any member of the Group.

### **4. SERVICE CONTRACTS**

As of the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company or any other member of the Group, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

### **5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS**

As of the Latest Practicable Date, none of the Directors had any interest in any assets which have been since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

## 6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of the Latest Practicable Date, none of the Directors or their respective associates had interests in the businesses, other than being a Director, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder).

## 7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within two years immediately preceding the date of this circular:

- (1) a share transfer agreement dated 13 June 2023 entered into between Tsaker Hong Kong and Tsaker Technology with Hebei Industrial Investment Strategically New Industry Development Centre (Limited Partnership), Cang County Cangfu Equity Investment Fund (Limited Partnership) and Hebei Structural Reform Fund (Limited Partnership) in relation to the disposal of Tsaker Technology Shares at an aggregate consideration of RMB54,999,974.60 and the grant of repurchase rights (the “**2023 Repurchase Rights**”), as set out in the Company’s announcement dated 13 June 2023;
- (2) a series of repurchase agreements dated 14 November 2024 entered between Tsaker Hong Kong with Changzhou Xinjin Ruiying Venture Capital Partnership (Limited Partnership), Cang County Cangfu Equity Investment Fund (Limited Partnership), Hebei Structural Reform Fund (Limited Partnership) and Wuxi Xingaudi Advanced Industry Investment Fund Partnership (Limited Partnership) in relation to the exercise of part of the 2023 Repurchase Rights at an aggregate consideration of RMB40,024,790.46 and the grant of the first batch of the 2024 Repurchase Rights, as set out in the Company’s announcements dated 14 November 2024 and 22 November 2024; and
- (3) a series of share transfer agreements dated 25 November 2024 entered between Tsaker Hong Kong with Changzhou Xinjin Ruiying Venture Capital Partnership (Limited Partnership), Wuxi Xingaudi Advanced Industry Investment Fund Partnership (Limited Partnership) and Zhongtai Securities Co., Ltd. in relation to the disposal of Tsaker Technology Shares at an aggregate consideration of RMB39,975,197.36 and the grant of the second batch of the 2024 Repurchase Rights, as set out in the Company’s announcement dated 25 November 2024.

**8. MISCELLANEOUS**

- (1) The secretary of the Company is Mr. BAI Kun, an executive Director of the Company;
- (2) The registered office and principal share registrar and transfer office of the Company is situated at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands;
- (3) The head office in the PRC of the Company is situated at Building No. 10, 109 Jinghaisanlu, Beijing Economic-Technological Development Area, the PRC;
- (4) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; and
- (5) The English text of this circular shall prevail over the respective Chinese text in the case of inconsistency.