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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

Revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB933.5 million, representing a decrease of approximately RMB71.5 million or approximately 7.1%, as compared with that in the same period of 2024.

Gross profit of the Group for the six months ended 30 June 2025 amounted to approximately RMB116.8 million, representing a decrease of approximately RMB28.6 million or approximately 19.7%, as compared with that in the same period of 2024.

Net profit of the Group for the six months ended 30 June 2025 amounted to approximately RMB30.0 million, representing an increase of approximately RMB6.5 million or approximately 27.7%, as compared with that in the same period of 2024.

Basic and diluted earnings per share attributable to ordinary equity holders of the parent for the six months ended 30 June 2025 amounted to approximately RMB0.01, representing a decrease of approximately RMB0.01 or approximately 50%, as compared with that in the same period of 2024.

The Board resolved to declare and pay an interim dividend of RMB0.015 per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: interim dividend RMB0.005 per ordinary share and special dividend RMB0.025 per ordinary share).

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Tsaker New Energy Tech Co., Limited (the “**Company**” or “**we**” or “**our**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Review Period**”), together with the comparative figures for the same period in 2024. These results were prepared based on the Group’s unaudited consolidated financial statements, which were prepared in accordance with the Hong Kong Accounting Standard 34, “Interim financial reporting”, and the disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	933,518	1,005,013
Cost of sales		(816,678)	(859,592)
Gross profit		116,840	145,421
Other income and gains		13,976	8,594
Selling and distribution expenses		(9,030)	(18,922)
Administrative expenses		(70,320)	(74,668)
Other expenses		(1,575)	(7,936)
Finance costs	5	(17,709)	(22,147)
Exchange gains, net		675	179
PROFIT BEFORE TAX	6	32,857	30,521
Income tax expense	7	(2,832)	(7,023)
PROFIT FOR THE PERIOD		30,025	23,498
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		3,870	1,220
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")			
– Changes in fair value		805	–
Other comprehensive income, net of tax		4,675	1,220
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		34,700	24,718
Profit attributable to:			
Owners of the parent		9,315	15,634
Non-controlling interests		20,710	7,864
		30,025	23,498
Total comprehensive income attributable to:			
Owners of the parent		13,990	16,854
Non-controlling interests		20,710	7,864
		34,700	24,718
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)	8	0.01	0.02

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,602,551	1,659,553
Right-of-use assets		86,455	85,003
Equity investments designated at FVOCI		29,220	24,150
Financial assets at fair value through profit or loss ("FVPL")	12	16,687	14,960
Intangible assets		3,333	5,568
Deferred tax assets		139,274	116,955
Other non-current assets		34,721	38,919
Total non-current assets		1,912,241	1,945,108
CURRENT ASSETS			
Inventories	10	332,641	273,091
Trade receivables	11	243,885	283,864
Notes receivable		381,793	690,380
Prepayments and other receivables		46,833	47,171
Financial assets at FVPL	12	16,424	906
Restricted cash		3,175	140
Cash and cash equivalents		300,418	266,789
Total current assets		1,325,169	1,562,341

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

	Notes	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
CURRENT LIABILITIES			
Trade and bills payables		384,281	387,038
Other payables and accruals		256,880	584,617
Contract liabilities		3,962	10,216
Interest-bearing bank and other borrowings	13	241,748	190,421
Income tax payable		10,854	8,825
Current portion of long-term borrowings	13	10,080	16,148
Other current liabilities		–	2,747
Total current liabilities		907,805	1,200,012
NET CURRENT ASSETS		417,364	362,329
TOTAL ASSETS LESS CURRENT LIABILITIES		2,329,605	2,307,437
NON-CURRENT LIABILITIES			
Deferred income		5,903	6,229
Deferred tax liabilities		8,139	6,154
Interest-bearing bank and other borrowings	13	–	1,842
Lease liabilities		890	–
Other non-current liabilities		352,446	340,157
Total non-current liabilities		367,378	354,382
NET ASSETS		1,962,227	1,953,055
EQUITY			
Equity attributable to owners of the parent			
Share capital		62,363	63,402
Treasury shares		(334)	(10,438)
Reserves		1,691,338	1,711,941
		1,753,367	1,764,905
Non-controlling interests		208,860	188,150
TOTAL EQUITY		1,962,227	1,953,055

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		87,659	72,479
Income tax paid		(17,797)	(37,312)
Net cash flows from operating activities		69,862	35,167
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payment for the purchase of property, plant and equipment, right-of-use assets, and intangible assets		(12,163)	(61,380)
Other cash flows (used in)/from investing activities		(6,655)	50,622
Net cash flows used in investing activities		(18,818)	(10,758)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceeds from borrowings		120,000	114,845
Repayment of borrowings		(100,678)	(196,112)
Principal portion of lease liabilities		(591)	(254)
Dividend paid		(26,845)	(45,199)
Repurchase of own shares		(1,261)	(7,591)
Other cash flows used in financing activities		(8,632)	—
Net cash flows used in financing activities		(18,007)	(134,311)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		33,037	(109,902)
Cash and cash equivalents at beginning of period		266,789	287,441
Effect of foreign exchange rate changes, net		592	(100)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	300,418	177,439

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE 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. The Company's subsidiaries are 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. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the revised Hong Kong Financial Reporting Standards applicable to the Group are as follows:

The revision of Hong Kong Accounting Standard 21 specifies how entities should evaluate currency convertibility and determine spot exchange rates in the absence of convertibility. These revisions also require disclosure of information to enable users of financial statements to understand how non convertible currencies affect or are expected to affect the entity's financial performance, financial condition, and cash flows.

The revised version shall take effect during the annual reporting period starting on or after 1 January 2025. When applying such revisions, entities cannot restate comparative data.

This revision will not have any impact on the financial condition or performance of the Group.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (2024: 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 same as that of the interim condensed consolidated statement of financial position as at 30 June 2025, excluding unallocated corporate assets and liabilities as these assets and liabilities are managed on a group basis.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

3. OPERATING SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit information of the Group's operating segments for the six months ended 30 June 2025 and 2024:

Six months ended 30 June 2025 (unaudited)	Battery materials <i>RMB'000</i>	Dye and agricultural chemical intermediates <i>RMB'000</i>	Pigment intermediates and new materials <i>RMB'000</i>	Total for segments <i>RMB'000</i>	Corporate, other unallocated expenses and eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue						
External customers	234,277	416,520	282,721	933,518	–	933,518
Inter-segment	–	4,669	–	4,669	(4,669)	–
Total segment revenue	234,277	421,189	282,721	938,187	(4,669)	933,518
Results						
Segment profit	(99,684)	44,493	95,400	40,209	(7,352)	32,857
Six months ended 30 June 2024 (unaudited)	Battery materials <i>RMB'000</i>	Dye and agricultural chemical intermediates <i>RMB'000</i>	Pigment intermediates and new materials <i>RMB'000</i>	Total for segments <i>RMB'000</i>	Corporate, other unallocated expenses and eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue						
External customers	281,949	502,506	220,558	1,005,013	–	1,005,013
Inter-segment	–	4,301	–	4,301	(4,301)	–
Total segment revenue	281,949	506,807	220,558	1,009,314	(4,301)	1,005,013
Results						
Segment profit	(101,222)	98,928	63,331	61,037	(30,516)	30,521

30 June 2025

The following table presents asset and liability information of the Group's operating segments as at 30 June 2025 and 31 December 2024, respectively:

Corporate and eliminations

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Reconciliation of profit		
Segment profit	40,209	61,037
Elimination of intersegment transactions	(516)	(16,452)
Corporate and other unallocated expenses	(6,836)	(14,064)
Profit before tax	32,857	30,521

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	933,518	1,005,013

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

<u>Segments</u>	Battery materials <i>RMB'000</i> (Unaudited)	Dye and agricultural chemical intermediates <i>RMB'000</i> (Unaudited)	Pigment intermediates and new materials <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Sale of goods	234,277	416,520	282,721	933,518
Total	234,277	416,520	282,721	933,518

Geographical markets

Chinese Mainland	233,340	337,201	155,288	725,829
India	–	15,457	87,700	103,157
Indonesia	–	22,342	–	22,342
Japan	–	–	16,849	16,849
Germany	–	11,749	1,040	12,789
Holland	–	–	9,928	9,928
Brazil	–	9,896	–	9,896
Taiwan, China	929	8,081	–	9,010
Spain	–	8,942	–	8,942
United States of America	3	–	5,485	5,488
Other countries/regions	5	2,852	6,431	9,288
Total	234,277	416,520	282,721	933,518

Timing of revenue recognition

Goods transferred at a point in time	234,277	416,520	282,721	933,518
Total	234,277	416,520	282,721	933,518

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2024

<u>Segments</u>	Battery materials <i>RMB'000</i> (Unaudited)	Dye and agricultural chemical intermediates <i>RMB'000</i> (Unaudited)	Pigment intermediates and new materials <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Sale of goods	281,949	502,506	220,558	1,005,013
Total	281,949	502,506	220,558	1,005,013
Geographical markets				
Chinese Mainland	281,834	433,970	117,403	833,207
India	–	18,391	61,748	80,139
Indonesia	–	12,053	–	12,053
Japan	–	–	13,598	13,598
Germany	–	14,429	364	14,793
Brazil	–	7,507	–	7,507
Taiwan, China	115	7,484	–	7,599
Spain	–	5,100	–	5,100
United States of America	–	–	13,412	13,412
Switzerland	–	–	11,627	11,627
Other countries/regions	–	3,572	2,406	5,978
Total	281,949	502,506	220,558	1,005,013
Timing of revenue recognition				
Goods transferred at a point in time	281,949	502,506	220,558	1,005,013
Total	281,949	502,506	220,558	1,005,013

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings and other non-current liabilities	16,993	19,651
Interest on lease liabilities	278	13
Other finance costs	438	2,483
	17,709	22,147

No interest expenses was capitalised for the six months ended 30 June 2025 and 2024.

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	816,678	859,592
Depreciation of property, plant and equipment	79,865	81,460
Research and development costs	7,955	9,630
Depreciation of right-of-use assets	1,244	2,290
Amortisation of intangible assets	2,235	634
Lease payment not in the measurement of lease liabilities	1,072	296
Wages, salaries and welfare	104,808	89,896
Pension and other social insurances	24,237	21,660
Exchange gains, net	(675)	(179)
Loss on disposal of items of property, plant and equipment	3,312	1,484
Impairment (reversal)/provision of trade receivables and other receivables	(2,046)	434
Write-down of inventories to net realisable value*	18,314	8,596
Fair value (income)/loss, net:		
Financial assets at FVPL	(1,144)	4,159

* The write-down of inventories is included in cost of inventories sold above.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

7. INCOME TAX EXPENSE

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed profit or loss are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Income taxes		
Current income tax expense	22,068	38,823
Deferred income tax credit	(19,236)	(31,800)
Total income tax charge for the period	2,832	7,023

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share attributable to ordinary equity holders of the parent is based on the following data:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to ordinary equity holders of the parent (RMB'000)	9,315	15,634
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation ('000)	970,865	993,392
Earnings per share		
Basic and diluted (RMB)	0.01	0.02

The Group did not have any dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB27,002,000 (six months ended 30 June 2024: approximately RMB43,687,000).

Assets with a net book value of approximately RMB3,806,000 were disposed of by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB2,178,000), resulting in a net loss on disposal of approximately RMB3,312,000 (six months ended 30 June 2024: net loss of approximately RMB1,484,000).

10. INVENTORIES

During the six months ended 30 June 2025, the Group wrote down approximately RMB18,314,000 (six months ended 30 June 2024: approximately RMB8,596,000) of inventories to their net realisable value.

11. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	251,359	293,699
Impairment provision	(7,474)	(9,835)
Total	<u>243,885</u>	<u>283,864</u>

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.

The Group has not pledged any of the trade receivables as security for the Group's bank loans (31 December 2024: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. TRADE RECEIVABLES (CONTINUED)

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:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	102,781	124,104
1 month to 2 months	83,562	101,697
2 months to 3 months	35,080	43,846
3 months to 4 months	14,403	3,546
Over 4 months	8,059	10,671
	<hr/>	<hr/>
Total	243,885	283,864
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The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At 1 January	9,835	8,440
Impairment (reversal)/provision	(2,361)	1,395
	<hr/>	<hr/>
Total	7,474	9,835
	<hr/> <hr/>	<hr/> <hr/>

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 is satisfied 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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. FINANCIAL ASSETS AT FVPL

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets at FVPL – current:			
Listed equity investments	(i)	14,003	906
Short term debt investment	(i)	2,421	–
Subtotal		16,424	906
Financial assets at FVPL – non-current:			
Unlisted investments	(ii)	16,687	14,960
Total		33,111	15,866

Notes:

- (i) The listed equity investments and short term debt investment were classified as FVPL as they were held for trading.
- (ii) 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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 <i>RMB'000</i> (Unaudited)			31 December 2024 <i>RMB'000</i> (Audited)		
	Effective interest rate (%)	Maturity	<i>RMB'000</i>	Effective interest rate (%)	Maturity	<i>RMB'000</i>
Short-term						
Bank loans – secured	2.80-4.30	2025-2026	211,719	2.95-4.20	2025	165,172
Bank loans – unsecured	3.10-3.90	2025-2026	30,029	3.90-4.50	2025	25,249
			<u>241,748</u>			<u>190,421</u>
Long-term						
Other borrowings – secured	7.65-7.91	2025-2026	10,080	7.65-8.32	2025-2026	17,990
			<u>10,080</u>			<u>17,990</u>
Less: Current portion of long-term other borrowings			<u>(10,080)</u>			<u>(16,148)</u>
Other borrowings – non-current			<u>–</u>			<u>1,842</u>
Total bank and other borrowings			<u>251,828</u>			<u>208,411</u>
Analysed into:						
Bank loans repayable:						
Within one year			<u>241,748</u>			<u>190,421</u>
			<u>241,748</u>			<u>190,421</u>
Other borrowings repayable:						
Within one year			10,080			16,148
In the second year			<u>–</u>			<u>1,842</u>
			<u>10,080</u>			<u>17,990</u>
Total bank and other borrowings			<u>251,828</u>			<u>208,411</u>

(a) Certain of the Group's property, plant and equipment and right-of-use assets with aggregate net carrying amounts of approximately RMB182,252,000 (31 December 2024: property, plant and equipment, right-of-use assets amounted to approximately RMB228,893,000) were pledged to secure bank and other borrowings as well as banking facilities granted to the Group.

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. CASH AND CASH EQUIVALENTS

For the purpose of the unaudited interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Cash and bank balances	303,593	210,832
Less: Restricted cash	(3,175)	(33,393)
	<hr/> 300,418 <hr/>	<hr/> 177,439 <hr/>
Cash and cash equivalents		
	<hr/> 300,418 <hr/>	<hr/> 177,439 <hr/>
Denominated in RMB	242,354	166,854
Denominated in other currencies	58,064	10,585
	<hr/> 300,418 <hr/>	<hr/> 177,439 <hr/>
Cash and cash equivalents		
	<hr/> 300,418 <hr/>	<hr/> 177,439 <hr/>

Note:

As at 30 June 2025, restricted cash mainly represented deposits held for issuing bills payable.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis and categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 30 June 2025 and 31 December 2024, the financial instruments of the Group carried at fair value were equity investments designated at FVOCI, financial assets at FVPL and notes receivable. These instruments fall into Level 1, Level 2 and Level 3 of the fair value hierarchy described above.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

		Fair value measurements as at 30 June 2025 categorised into			
		Quoted prices in active markets for identical assets (Level 1) <i>RMB'000</i> (Unaudited)	Significant observable inputs (Level 2) <i>RMB'000</i> (Unaudited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (Unaudited)	
	Notes	Fair value at 30 June 2025 <i>RMB'000</i> (Unaudited)			
Financial assets:					
Notes receivable	(i)	54,156	–	54,156	–
Financial assets at FVPL -current	(ii)	16,424	16,424	–	–
Financial assets at FVPL -non-current	(iii)	16,687	–	–	16,687
Unquoted equity investments designated at FVOCI	(iv)	29,220	–	–	29,220
		116,487	16,424	54,156	45,907
		Fair value measurements as at 31 December 2024 categorised into			
		Quoted prices in active markets for identical assets (Level 1) <i>RMB'000</i> (Audited)	Significant observable inputs (Level 2) <i>RMB'000</i> (Audited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (Audited)	
	Notes	Fair value at 31 December 2024 <i>RMB'000</i> (Audited)			
Financial assets:					
Notes receivable	(i)	94,991	–	94,991	–
Financial assets at FVPL -current	(ii)	906	906	–	–
Financial assets at FVPL -non-current	(iii)	14,960	–	–	14,960
Unquoted equity investments designated at FVOCI	(iv)	24,150	–	–	24,150
		135,007	906	94,991	39,110

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

Notes:

- (i) The Group estimated the fair value of notes receivable with discounted cash flows at a discount rate that reflects the credit risk of the drawee of notes at the end of the reporting period.
- (ii) The fair value of listed equity investments at FVPL categorised as level 1 in the fair value hierarchy are based on quoted market prices.
- (iii) The fair value of financial assets at FVPL-non-current, has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as price to sales (“P/S”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a sales measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding sales measure of the unlisted equity investments to measure the fair value. The discount for lack of marketability represents the amounts of discounts determined by the Group that market participants would take into account when pricing the investments.

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at FVPL-non-current	Valuation multiples	Median P/S	10.9	10% increase/decrease in input would result in increase/decrease in fair value by approximately RMB1,668,000
		Discount for lack of marketability	25%	10% increase/decrease in input would result in decrease/increase in fair value by approximately RMB556,000

- (iv) The fair value of unquoted equity investments in a real estate fund designated at FVOCI was determined using the market approach based on recent transaction price.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liabilities for which fair values are disclosed

	Fair value at 30 June 2025 RMB'000 (Unaudited)	Fair value measurements using Quoted prices in active markets for identical assets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)
Financial liabilities:				
Other non-current liabilities	379,773	–	379,773	–
	<u>379,773</u>	<u>–</u>	<u>379,773</u>	<u>–</u>

	Fair value at 31 December 2024 RMB'000 (Unaudited)	Fair value measurements using Quoted prices in active markets for identical assets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)
Financial liabilities:				
Other non-current liabilities	371,179	–	371,179	–
	<u>371,179</u>	<u>–</u>	<u>371,179</u>	<u>–</u>

(c) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	5,430	7,720

18. RELATED PARTY TRANSACTIONS

The following table provides the total amounts of transactions that have been entered into with related parties during the six months ended 30 June 2025 and 2024:

(a) Transactions with related parties:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Sales of products and services:		
Hebei Huage Graphene Materials Co., Ltd	31	–
Purchases of products and services:		
Hua Ge Real Estate Development Co., Ltd.	–	300
Cangzhou Aomu Agricultural Development Co., Ltd.	84	172
Dezhou Wugu Food Technology Co., Ltd.	77	194
Cangzhou Wugu Food Technology Co., Ltd.	–	27

Notes:

- (i) The purchases from the related parties were made according to the published prices and conditions.
- (ii) These related parties are all entities controlled by close family members of the controller of the Group.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

18. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Compensation paid to key management personnel	<u>5,550</u>	<u>3,461</u>

19. DIVIDENDS

(a) Dividends declared and paid to equity shareholders of the Company during the interim period are as follows:

	30 June 2025	30 June 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
2024 final dividend declare and paid during the period, RMB0.025 per ordinary share (six months ended 30 June 2024: RMB0.038)	<u>24,267</u>	<u>37,836</u>

- (b) On 25 August 2025, the Board declared an interim dividend of RMB0.015 per ordinary share (six months ended 30 June 2024: interim dividend of RMB0.005 per ordinary share and special dividend of RMB0.025 per ordinary share), amounting to the total interim dividend of approximately RMB14,564,000 (six months ended 30 June 2024: interim dividend of approximately RMB4,978,000 and special dividend of approximately RMB24,892,000).

The total amount of the interim dividend were calculated based on the issued and fully paid shares of the Company as at 30 June 2025. If taken the subsequent cancellation after 30 June 2025 of 2,195,500 shares, of which 1,571,500 shares were repurchased in July 2025 and cancelled on 6 August 2025, into consideration, the total amount of the interim dividend is approximately RMB14,531,000.

20. EVENT AFTER THE REPORTING PERIOD

On 25 August 2025, the Board declared an interim dividend for the six months ended 30 June 2025 as set out in note 19.

21. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 was authorised for issue in accordance with a resolution of the Board on 25 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

Operating segment results

For the six months ended 30 June 2025

	Battery material	Dye and agricultural chemical intermediates	Pigment intermediates and new materials	Total
Revenue (RMB'000)	234,277	416,520	282,721	933,518
Cost of sales (RMB'000)	288,214	371,611	156,853	816,678
Sales volume (tonnes)	24,237	40,229	8,025	72,491
Gross profit margin	-23.0%	10.8%	44.5%	12.5%
Average unit selling price (RMB/tonne)	9,666	10,354	35,230	12,878

For the six months ended 30 June 2024

	Battery material	Dye and agricultural chemical intermediates	Pigment intermediates and new materials	Total
Revenue (RMB'000)	281,949	502,506	220,558	1,005,013
Cost of sales (RMB'000)	312,522	408,625	138,445	859,592
Sales volume (tonnes)	29,486	37,843	6,705	74,034
Gross profit margin	-10.8%	18.7%	37.2%	14.5%
Average unit selling price (RMB/tonne)	9,562	13,279	32,895	13,575

For the Review Period, the total revenue of the Group decreased by approximately 7.1% to approximately RMB933.5 million (six months ended 30 June 2024: approximately RMB1,005.0 million) as compared with that in the same period of 2024, and the overall gross profit of the Group decreased by approximately 19.7% period-on-period to approximately RMB116.8 million (six months ended 30 June 2024: approximately RMB145.4 million). The period-on-period decrease in the overall gross profit was mainly due to (i) the sales volume and the average unit selling price of products of the Group's pigment intermediates and new materials segment for the six months ended 30 June 2025 increased as compared with that in the same period of 2024, resulting in an increase in the gross profit for the same segment as compared with that in the same period of 2024; and (ii) the average unit selling price of dye and agricultural chemical intermediates products for the six months ended 30 June 2025 decreased as compared to that in the same period of 2024 due to adverse market fluctuations, resulting in a decrease in the gross profit for the same segment as compared to that in the same period of 2024. The combined impact of these factors resulted in the period-on-period decrease in the overall gross profit margin of the Group to approximately 12.5% (six months ended 30 June 2024: approximately 14.5%).

For the Review Period, the profit attributable to equity holders of the parent decreased by approximately 40.4% period-on-period to approximately RMB9.3 million (six months ended 30 June 2024: approximately RMB15.6 million). The profit margin attributable to equity holders of the parent decreased period-on-period to approximately 1.0% (six months ended 30 June 2024: approximately 1.6%).

Battery materials – accounting for approximately 25.1% of total revenue (six months ended 30 June 2024: approximately 28.1%)

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.

For the Review Period, the sales volume of iron phosphate products decreased as compared with that in the same period in 2024, which was mainly because the Group, in the current highly competitive market environment, actively improved the business strategy and focused on the market of iron phosphate products with high performance, resulting in a decline in the overall sales volume of iron phosphate products. The Group maintained close cooperation with lithium iron phosphate manufacturers such as Hefei Guoxuan Kehong New Energy Technology Co., Ltd.* (合肥國軒科宏新能源科技有限公司), Dangsheng Shudao (Panzhijia) New Material Co., Limited* (當升蜀道(攀枝江)新材料有限公司) and Hefei Rongjie Energy Materials Co., Ltd.* (合肥融捷能源材料有限公司), in order to provide higher quality lithium iron phosphate. As a result of a decrease in the sales volume of iron phosphate products, the revenue from the battery materials segment of the Group decreased by approximately 16.9% to approximately RMB234.3 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB281.9 million) as compared with that in the same period of 2024, accounting for approximately 25.1% (six months ended 30 June 2024: approximately 28.1%) of the Group's total revenue for the Review Period.

For the Review Period, the average unit selling price of iron phosphate increased as compared with that in the same period of 2024, which was slightly higher than the industry average for the same period. Meanwhile, in order to provide iron phosphate products with high performance and reduce unit production costs, we carried out comprehensive technical upgrading and transformation for the production facilities in Cangzhou Factory during the Review Period, which led to an increase in downtime costs during the transformation period, resulting in an increase in the average unit production cost of iron phosphate as compared to that in the same period of 2024. Under the background that the increase in average unit selling price of iron phosphate products was largely offset by the decrease in their sales volume and the increase in their average unit production cost, the overall gross profit of this segment for the Review Period decreased by approximately 76.1% to approximately RMB-53.9 million (six months ended 30 June 2024: approximately RMB-30.6 million) as compared with that in the same period of 2024, while the gross profit margin decreased to approximately -23.0% (six months ended 30 June 2024: approximately -10.8%).

Dye and agricultural chemical intermediates – accounting for approximately 44.6% of total revenue (six months ended 30 June 2024: approximately 50.0%)

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 primarily include brightening of paper and detergents and brightening elements of bleach for textile. The Group's key dye intermediate products also include 4-nitrotoluene-2-sulphonic acid, an intermediate product produced during the production of DSD Acid, and iron oxide red products, which are produced during the co-production of iron oxide red with DSD Acid.

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 in the production of DSD Acid. By commencing its own production of mononitrotoluene, the Group is able to stabilise the upstream supply of raw materials. ONT and ortho-toluidine ("OT") are major raw materials in the production of herbicides as agricultural chemicals.

During the Review Period, DSD Acid, the main product of dye intermediates, was affected by overall market fluctuations, resulting in a decrease in the average unit selling price as compared with that in the same period of 2024. The market expansion of iron oxide red, a co-produced product of DSD Acid, was smooth and the battery material application customers were successfully developed. The sales volume and revenue increased significantly as compared with that in the same period of 2024. During the Review Period, due to the significant increase in the sales volume of iron oxide red, the sales volume of dye intermediate products increased as compared with that in the same period of 2024. However, due to the overall market fluctuations and the change in the proportion of sales of products with different prices, the average unit selling price of the Group's dye intermediate products decreased as compared with that in the same period of 2024, which resulted in the decrease in the revenue from dye intermediate products of the Group by approximately 6.8% to approximately RMB212.7 million (six months ended 30 June 2024: approximately RMB228.1 million) as compared with that in the same period of 2024.

During the Review Period, affected by the pressure of periodic supply and demand imbalance and the intensified competition in the agricultural chemical intermediate industry, the sales volume and the average unit selling price of the agricultural chemical intermediate products of the Group decreased as compared with that in the same period of 2024, which resulted in the decrease in revenue by approximately 25.7% to approximately RMB203.8 million (six months ended 30 June 2024: approximately RMB274.4 million) as compared with that in the same period of 2024.

The total revenue of this segment for the Review Period decreased by approximately 17.1% to approximately RMB416.5 million (six months ended 30 June 2024: approximately RMB502.5 million) as compared with that in the same period of 2024, accounting for approximately 44.6% of the Group's overall revenue (six months ended 30 June 2024: approximately 50.0%).

For the Review Period, the overall gross profit of this segment decreased by approximately 52.2% to approximately RMB44.9 million (six months ended 30 June 2024: approximately RMB93.9 million), and the gross profit margin decreased to approximately 10.8% (six months ended 30 June 2024: approximately 18.7%). In particular, the gross profit of dye intermediates decreased by approximately 66.5% to approximately RMB7.8 million (six months ended 30 June 2024: approximately RMB23.3 million), and the gross profit margin decreased to approximately 3.7% (six months ended 30 June 2024: approximately 10.2%). The gross profit of agricultural chemical intermediates decreased by approximately 47.5% to approximately RMB37.1 million (six months ended 30 June 2024: approximately RMB70.6 million), and the gross profit margin decreased to approximately 18.2% (six months ended 30 June 2024: approximately 25.7%).

Pigment intermediates and new materials – accounting for approximately 30.3% of total revenue (six months ended 30 June 2024: approximately 21.9%)

The Group is the world's largest manufacturer and distributor of the high-performance pigment intermediate dimethyl succinylsuccinate (“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 pigment 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 Period, affected by the growing downstream demand and the shortage of supply in our competitors, the Group's pigment intermediates and new materials segment developed rapidly, maintaining a strong market position, and the sales volume of such products increased significantly as compared to that in the same period of 2024. Hence, revenue generated from the pigment intermediates and new materials segment increased by approximately 28.2% to approximately RMB282.7 million (six months ended 30 June 2024: approximately RMB220.6 million) as compared with that in the same period of 2024, accounting for approximately 30.3% of the Group's total revenue (six months ended 30 June 2024: approximately 21.9%).

For the Review Period, the overall gross profit of this segment increased by approximately 53.3% to approximately RMB125.9 million (six months ended 30 June 2024: approximately RMB82.1 million) and the gross profit margin of this segment increased to approximately 44.5% (six months ended 30 June 2024: approximately 37.2%).

EXPORT

For the Review Period, the export revenue of the Group amounted to approximately RMB207.7 million, representing an increase of approximately RMB35.9 million or approximately 20.9% as compared with the export revenue of approximately RMB171.8 million in the same period of 2024. The increase in export revenue of the Group was mainly due to the increase in export sales to India and Indonesia.

For the Review Period, the export revenue accounted for approximately 22.2% of the total revenue as compared with approximately 17.1% in the same period of 2024.

BUSINESS OUTLOOK

During the Review Period, China's economy generally maintained a mild recovery, but faced a complicated situation of internal and external pressures. Domestic consumption continued to recover and emerging industries such as technology manufacturing performed well, becoming the main drivers for China's economy. The global geopolitical tension and uncertain trading environment also posed challenges to the stability of China's foreign trade and supply chain. In the face of global uncertainties and domestic structural problems, the government increased fiscal and monetary policy support to optimize the economic structure and enhance the endogenous driving force. During the Review Period, the global economy was faced with numerous challenges: tariff storms intensifying global trade tensions, rising geopolitical risks such as the escalation of the Russia-Ukraine War and the Middle East crisis, as well as the compounding macro-financial uncertainties-all of which dragged down the pace of global recovery and rendered the already weak recovery momentum even more fragile.

During the Review Period, China's new energy power battery industry showed a parallel trend of technological iteration and restructuring of supply and demand. The penetration rate of new energy vehicles continued to increase and the demand for electrochemical energy storage maintained a rapid growth. However, the industry is still faced with the double pressure of excess low-end capacity and insufficient high-end demand. In light of the new development trend of the battery industry, the Group has promoted the optimization of sales strategy and product iteration and upgrading with strategic foresight. On the sales side, the Group has taken the initiative to divest from the homogenized competition in the low-end market to avoid continuous expansion of losses caused by low prices. At the same time, the Group has focused on the value track of high-performance iron phosphate products, and aligned accurately with the upgrading trend of market demand. The Group's new generation of iron phosphate products have been commercially applied in small batches by downstream customers, thus laying a solid foundation for consolidating the leading technological advantage in the industry. During the Review Period, in order to further improve the product quality and performance and at the same time reduce the production cost, we carried out comprehensive upgrading and transformation to the production facilities in Cangzhou Factory. We believe that the upgraded iron phosphate products will have a competitive advantage with higher performance and lower costs.

During the Review Period, the market performance of the Group's dye and agricultural chemical intermediates segment picked up. After the abnormal market performance in the second half of 2024, the Group actively adjusted its strategy and gradually reversed the passive situation by fully utilizing our advantages in technology, product quality, costs and other areas. During the Review Period, the production process and product structure of the dye chemical intermediate products were continuously optimized. Notably, iron oxide red products successfully secured customers in battery material application, driving a significant increase in the sales volume of iron oxide red. During the Review Period, the agricultural chemical intermediates segment responded to the market competition actively and suppressed its competitors effectively through stable and long-lasting cooperative relationships with customers and flexible marketing and sales strategies. Due to the lack of momentum in market expansion of new competitors, the impact on sales volume of the agricultural chemical intermediate products of the Group gradually diminished. During the Review Period, a series of adjustment measures in the dye and agricultural chemical intermediates segment began to yield results. The sales volume of the products in such segment increased during the Review Period as compared with that in the same period of 2024, leading to a steady recovery in market position. Although there is still a gap between current performance and the performance of the same period in 2024, it has significantly improved as compared to that in the second half of 2024, while laying a solid foundation for recovery in the future.

During the Review Period, the market performance of the Group's pigment intermediates and new materials segment remained promising. Affected by the increasing downstream demand and the supply shortage in competitors, the sales volume and revenue of the segment increased significantly as compared with that in the same period of 2024. During the Review Period, new material polymerized monomer BPDA products achieved mass production. Production line has been further optimized, product quality has been improved and production costs have been reduced. During the Review Period, BPDA products have achieved a positive gross profit, which will also have a positive contribution to the overall gross profit of the Group. During the Review Period, the Group's plan of the proposed transfer of listing of Hebei Tsaker New Materials Technology Company Limited* ("**Tsaker Technology**", primarily engaging in the production and sales of pigment intermediate and new material products), an indirect non-wholly-owned subsidiary of the Company, to the Beijing Stock Exchange (the "**BSE**") in China (the "**Proposed BSE Listing**") has achieved phased progress, and the listing application has been formally submitted to and accepted by the BSE. The Group is still putting full efforts in facilitating the works on the BSE Listing of Tsaker Technology and will make further announcement(s) as and when appropriate in accordance with the relevant requirements under the Listing Rules.

Looking ahead, under the diversified environment where domestic and international conditions are complexly intertwined and multi-dimensional resilience becomes prominent, the Group will continue to maintain a steadfast strategic focus, and promote close collaboration and synergistic alignment across all business segments. With continuous research and development as the core driving force, the Group will deepen technological innovation and process iteration to consolidate the foundation of core advantages; through synergistic collaboration that pools resources and experience across different segments, the Group will activate the development of endogenous dynamics. Each segment has been cultivating sustainable development in a diversified environment, building a foundation with resilience and breaking through challenges with innovation, thereby injecting enduring vitality into the long-term development of the Group.

* *English translation name is for identification purpose only*

FINANCIAL REVIEW

Revenue and gross profit

During the Review Period, the revenue of the Group amounted to approximately RMB933.5 million, representing a decrease of approximately RMB71.5 million or decrease of approximately 7.1% as compared with approximately RMB1,005.0 million in the same period of 2024. The gross profit amounted to approximately RMB116.8 million, representing a decrease of approximately RMB28.6 million or decrease of approximately 19.7% as compared with approximately RMB145.4 million in the same period of 2024. During the Review Period, the Group's gross profit margin was approximately 12.5%, as compared with approximately 14.5% in the same period of 2024.

Net profit and net profit margin

During the Review Period, the net profit of the Group was approximately RMB30.0 million, representing an increase of approximately RMB6.5 million or increase of approximately 27.7% as compared with approximately RMB23.5 million in the same period of 2024. During the Review Period, the net profit margin of the Group was approximately 3.2%, as compared with approximately 2.3% in the same period of 2024.

Selling and distribution expenses

During the Review Period, selling and distribution expenses amounted to approximately RMB9.0 million, representing a decrease of approximately RMB9.9 million as compared with approximately RMB18.9 million in the same period of 2024. During the Review Period, selling and distribution expenses represented approximately 1.0% of the Group's revenue (six months ended 30 June 2024: approximately 1.9%). The decrease in selling and distribution expenses was mainly attributable to the decrease in certain selling expenses as compared with the same period of 2024, as a result of the stringent expense control measures implemented by the Group.

Administrative expenses

During the Review Period, administrative expenses amounted to approximately RMB70.3 million, representing a decrease of approximately RMB4.4 million as compared with approximately RMB74.7 million in the same period in 2024. The decrease in administrative expenses was mainly attributable to the decrease in technical research and development expenses, intermediary service fees and other expenses.

During the Review Period, administrative expenses represented approximately 7.5% of the Group's revenue (six months ended 30 June 2024: approximately 7.4%).

Finance costs

During the Review Period, finance costs amounted to approximately RMB17.7 million, representing a decrease of approximately RMB4.4 million as compared with approximately RMB22.1 million in the same period in 2024. The decrease in finance costs was mainly attributable to the decrease in the interest rates of interest-bearing bank borrowings and other borrowings, resulting in the decrease in financial costs.

Exchange gains, net

During the Review Period, the net exchange gains amounted to approximately RMB0.7 million as compared with the net exchange gains of approximately RMB0.2 million in the same period in 2024, which was mainly due to the fluctuation of the exchange rate of Renminbi against US dollar during the Review Period.

Income tax expense

The subsidiaries of the Company in the People's Republic of China (the "PRC") are generally subject to the PRC enterprise income tax at a rate of 25%. Tsaker Technology is subject to the enterprise income tax at a preferential rate of 15% due to the possession of a high-tech enterprise certificate. The Hong Kong subsidiary of the Company is subject to the two-tier tax regime, i.e., the first HK\$2 million of assessable profits earned will be taxed at half of the current Hong Kong profits tax rate (i.e., 8.25%), and the remaining assessable profits will continue to be taxed at 16.5%. The Singapore subsidiary of the Company is generally subject to the Singapore enterprise income tax at a rate of 17%.

During the Review Period, income tax expenses amounted to approximately RMB2.8 million, representing a decrease of approximately RMB4.2 million as compared with approximately RMB7.0 million in the same period of 2024. The decrease in income tax expense was mainly attributable to the decrease in current taxable income during the Review Period.

Cash flows

During the Review Period, the Group's net cash inflows from operating activities were approximately RMB69.9 million, representing an increase of approximately RMB34.7 million as compared with approximately RMB35.2 million in the same period of 2024, which was mainly attributable to the higher proportion of cash payment in the settlement of trade receivables during the Review Period.

During the Review Period, the Group's net cash outflows from investing activities were approximately RMB18.8 million, representing an increase of approximately RMB8 million as compared with approximately RMB10.8 million in the same period in 2024, which was mainly attributable to the increase in maintenance expenses of fixed assets during the Review Period.

During the Review Period, the Group's net cash outflows from financing activities were approximately RMB18.0 million, representing a decrease of approximately RMB116.3 million as compared with net cash outflows of approximately RMB134.3 million from financing activities in the same period of 2024, which was mainly attributable to the decrease in the amount of borrowings repaid by the Group and the decrease in dividend payments.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the Review Period. To manage 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.

LIQUIDITY AND CAPITAL STRUCTURE

During the Review Period, the daily working capital of the Group was primarily derived from internally generated cash flow from operations and bank borrowings. As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB300.4 million, which included approximately RMB242.3 million denominated in RMB and approximately RMB58.1 million in other currencies (USD, HKD and SGD) (31 December 2024: approximately RMB266.8 million, in which approximately RMB227.2 million denominated in RMB and approximately RMB39.6 million in other currencies (USD, HKD and SGD)). As at 30 June 2025, the Group had restricted cash of approximately RMB3.2 million denominated in RMB (31 December 2024: approximately RMB0.1 million denominated in RMB).

As at 30 June 2025, the Group had interest-bearing bank and other borrowings of approximately RMB251.8 million, all denominated in RMB with interest rate of 2.80% to 7.91% per annum (31 December 2024: approximately RMB208.4 million, all denominated in RMB with interest rate of 2.95% to 8.32% per annum), of which (i) approximately RMB251.8 million shall be repayable within one year (31 December 2024: approximately RMB206.6 million shall be repayable within one year, and approximately RMB1.8 million shall be repayable in the second year); and (ii) all bore fixed interest rates (31 December 2024: all bore fixed interest rates).

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

GEARING RATIO

As at 30 June 2025, the Group's gearing ratio was approximately 12.8% as compared with approximately 10.7% as at 31 December 2024, which is calculated at interest-bearing bank and other borrowings at the end of the period divided by total equity.

CURRENT ASSETS

As at 30 June 2025, total current assets of the Group amounted to approximately RMB1,325.2 million (31 December 2024: approximately RMB1,562.3 million), primarily consisting of inventories of approximately RMB332.6 million (31 December 2024: approximately RMB273.1 million), trade and notes receivable of approximately RMB625.7 million (31 December 2024: approximately RMB974.2 million), prepayments and other receivables of approximately RMB46.8 million (31 December 2024: approximately RMB47.2 million), cash and cash equivalents of approximately RMB300.4 million (31 December 2024: approximately RMB266.8 million), restricted cash of approximately RMB3.2 million (31 December 2024: approximately RMB0.1 million), and financial assets at FVPL of approximately RMB16.4 million (31 December 2024: approximately RMB0.9 million).

INVENTORIES

Inventories of the Group mainly include raw materials, work-in-progress and finished products. The turnover days for inventories were 67 days during the Review Period, while those for the year ended 31 December 2024 were 52 days. The increase in such turnover days was mainly attributable to the increase in the Group's inventories at the end of the period, which helped to improve the stability of production and supply in response to uncertain market condition. The Group has focused on daily inventory management, and made reasonable arrangements for business processes such as procurement, production and sales to ensure that inventories are maintained at a reasonable level.

TRADE AND NOTES RECEIVABLE

As at 30 June 2025, trade and notes receivable of the Group were approximately RMB625.7 million in aggregate, representing a decrease of approximately RMB348.5 million as compared with approximately RMB974.2 million in aggregate as at 31 December 2024.

The turnover days for trade and notes receivable were 154 days during the Review Period while those for the year ended 31 December 2024 were 143 days. The turnover days remained stable.

PREPAYMENTS AND OTHER RECEIVABLES

As at 30 June 2025, prepayments and other receivables of the Group were approximately RMB46.8 million in aggregate, representing a decrease of approximately RMB0.4 million as compared with those of approximately RMB47.2 million in aggregate as at 31 December 2024.

CURRENT LIABILITIES

As at 30 June 2025, total current liabilities of the Group amounted to approximately RMB907.8 million (31 December 2024: approximately RMB1,200.0 million), primarily consisting of trade and bills payables of approximately RMB384.3 million (31 December 2024: approximately RMB387.0 million), other payables and accruals and contract liabilities of approximately RMB260.8 million (31 December 2024: approximately RMB594.8 million), interest-bearing bank and other borrowings of approximately RMB251.8 million (31 December 2024: approximately RMB206.6 million), income tax payables of approximately RMB10.9 million (31 December 2024: approximately RMB8.8 million).

TRADE AND BILLS PAYABLES

The turnover days for trade and bills payables were 85 days during the Review Period while those for the year ended 31 December 2024 were 80 days. The turnover days remained relatively stable.

OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

As at 30 June 2025, other payables and accruals and contract liabilities of the Group were approximately RMB260.8 million in aggregate, representing a decrease of approximately RMB334 million as compared with approximately RMB594.8 million in aggregate as at 31 December 2024, mainly due to the decrease in the endorsed notes receivable which were not derecognised as at the end of the Review Period.

PLEDGE OF ASSETS

As at 30 June 2025, certain Group's property, plant and equipment and right-of-use assets with net carrying amounts of approximately RMB182.3 million (31 December 2024: property, plant and equipment and right-of-use assets amounted to approximately RMB228.9 million) were pledged to secure bank and other borrowings and bank facilities granted to the Group.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

There were no material acquisitions, disposals (including material acquisitions and disposals of subsidiaries, associates and joint ventures) or significant investment of the Group for the six months ended 30 June 2025.

CAPITAL COMMITMENTS

For details of the Group's capital commitments, please refer to note 17 to the financial statements in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 30 June 2025 and the date of this announcement, the Group had no other plans for material investment or acquisition of capital assets.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025 (31 December 2024: nil).

FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk of loss caused by fluctuation in exchange rate. The foreign exchange risk of the Group is mainly related to its operating activities. The operation of the Group may be affected by the future fluctuation in exchange rate. The Group is closely monitoring the impact of changes in currency exchange rates on the Group's foreign exchange risk.

The Group currently does not have any hedging policy for foreign currency in place. However, the Board will remain alert to any foreign currency risk and, if necessary, consider hedging any potential material foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

The Group has completed the establishment of human resources policies and systems for effective management in all aspects, and provides incentives and rewards through a reasonable incentive system. It also provides various training plans such as internal and external training and public courses for employees to create a learning-oriented group organization.

The remuneration package offered to the employees (including Directors) is in line with their duties and the prevailing market trend. Employee benefits, including rewards, training plans, pension, medical coverage and provident funds, etc., are also provided to employees of the Group.

As at 30 June 2025, the Group had 2,098 employees (as at 30 June 2024: 2,117) in aggregate.

For the six months ended 30 June 2025, the total staff costs of the Group (including wages, bonuses, social insurances and housing provident funds) amounted to approximately RMB129.0 million (six months ended 30 June 2024: approximately RMB111.6 million). The increase in staff costs was mainly attributable to the increase in wages and salaries of employees.

EVENTS SUBSEQUENT TO THE REVIEW PERIOD

Save as disclosed in note 20 to the financial statements in this announcement, the Group did not have any other significant subsequent events from 30 June 2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved to declare and pay an interim dividend of RMB0.015 per ordinary share (the “**Interim Dividend**”) (six months ended 30 June 2024: interim dividend of RMB0.005 per ordinary share and special dividend of RMB0.025 per ordinary share) for the six months ended 30 June 2025.

The Interim Dividend shall be paid on 28 November 2025 (Friday) to the shareholders of the Company whose names appear on the register of members of the Company on 23 September 2025 (Tuesday). The Interim Dividend shall be declared in RMB and paid in Hong Kong dollars. The relevant exchange rate is HK\$1: RMB0.913, being the average central parity rate for the conversion of RMB against Hong Kong dollars as announced by the People’s Bank of China for the five business days immediately preceding 25 August 2025. The Interim Dividend payable in Hong Kong dollars shall be HK\$0.016 per share, and the calculation methods are as follows:

$$\text{Interim Dividend: } \frac{\text{RMB0.015 per share}}{\text{Exchange rate 0.913}} = \text{HK\$0.016 per share}$$

As at the date of this announcement, the Company did not have any treasury shares or repurchased shares subject to cancellation. Based on the total number of issued shares of 968,722,500 shares as of the date of this announcement, the total amount of the Interim Dividend amounted to approximately RMB14,531,000.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 September 2025 (Thursday) to 23 September 2025 (Tuesday), both days inclusive, in order to determine the identity of the shareholders of the Company who are entitled to receive the Interim Dividend, during which period no share transfers will be registered. To qualify for the Interim Dividend, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 17 September 2025 (Wednesday).

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 AND OTHER INFORMATION

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended 30 June 2025, as the Board believed that the value of the shares of the Company could not reflect their intrinsic value and repurchase of shares would reflect the Board's confidence in the Company's development prospects, the Company repurchased a total of 1,706,500 shares on the Stock Exchange at a total consideration (before expenses) of HK\$1,365,560. The 1,082,500 shares and 624,000 shares repurchased have been subsequently cancelled on 19 February 2025 and 6 August 2025, respectively.

Details of the repurchase made by the Company are as follows:

Month	Number of shares repurchased	Highest purchase price per share HK\$	Lowest purchase price per share HK\$	Total consideration (before expenses) HK\$
January 2025	1,082,500	0.88	0.82	919,575
April 2025	57,000	0.68	0.67	38,405
May 2025	393,000	0.72	0.68	274,240
June 2025	174,000	0.88	0.70	133,340
	1,706,500			1,365,560

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

Corporate Governance Practices

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Group's development and protection of the interests of its shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 (the "**Corporate Governance Code**") to the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**") (in effect as of June 30, 2025) as the basis for its corporate governance practices.

For the six months ended 30 June 2025, the Company has complied with all the code provisions of the Corporate Governance Code set out therein, except for code provision C.2.1 in Part 2 of the Corporate Governance Code. In accordance with code provision C.2.1 in Part 2 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company deviates from the 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 Group for many years, he has a thorough understanding of the Group's business, management, customers and products. With his extensive experience in the business operation and management, the Board believes that vesting the two roles in the same individual, being Mr. GE Yi, provides the Company with strong and consistent leadership and facilitates effective implementation and execution of the Group's business decisions and strategies, and is beneficial to the overall business prospects and management of the Company.

Under the leadership of Mr. GE Yi, the Board is and has been able to work effectively and performs its responsibilities with key and appropriate issues discussed in a timely manner. In addition, 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 practices of the Company, the Board shall nevertheless review the effectiveness of the structure and composition of the Board from time to time in light of prevailing circumstances.

The Board is of the view that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the Review Period. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

Compliance with the Model Code for Securities Transactions by Directors

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 code of conduct regarding dealings in the securities of the Company by the Directors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all the Directors and all of the Directors have confirmed that they have complied with the Model Code during the reporting period. No incident of non-compliance of the Model Code by the employees was identified by the Company during the reporting period.

Audit Committee and Review of Financial Statements

The Board has established an audit committee of the Board (the “**Audit Committee**”) according to the Listing Rules, which comprises three independent non-executive Directors, namely Mr. ZHU Lin (chairman), Mr. YU Miao and Ms. LU Xin.

The unaudited interim financial statements of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee. Confucius International CPA Limited, the independent auditor of the Company, conducted an independent review on the interim financial information of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The review report of the interim financial information will be set out in the interim report to be published.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tsaker.com), and the interim report for the six months ended 30 June 2025 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
Mr. GE Yi
Chairman

Hong Kong, 25 August 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. LU Xin as independent non-executive Directors.