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 2023

FINANCIAL HIGHLIGHTS

Revenue of the Group for the six months ended 30 June 2023 amounted to approximately RMB996.4 million, representing an increase of approximately RMB73.2 million or approximately 7.9% comparing with that in the same period of 2022.

Gross profit of the Group for the six months ended 30 June 2023 amounted to approximately RMB176.2 million, representing a decrease of approximately RMB86.1 million or approximately 32.8% comparing with that in the same period of 2022.

Net profit of the Group for the six months ended 30 June 2023 amounted to approximately RMB43.0 million, representing a decrease of approximately RMB41.3 million or approximately 49.0% comparing with that in the same period of 2022.

Basic and diluted earnings per share attributable to ordinary equity holders of the parent for the six months ended 30 June 2023 amounted to approximately RMB0.03, representing a decrease of approximately RMB0.05 or approximately 62.5% comparing with that in the same period of 2022.

The Board has resolved to declare and pay an interim dividend of RMB0.029 per ordinary share for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB0.036 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 2023 (the "**Review Period**"), together with the comparative figures for the same period in 2022. 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 2023

	Notes	**2023** **RMB'000** **(Unaudited)**	2022 RMB'000 (Unaudited)
REVENUE	*4*	**996,415**	923,237
Cost of sales		**(820,177)**	(660,897)
Gross profit		**176,238**	262,340
Other income and gains		**17,770**	17,627
Selling and distribution expenses		**(23,883)**	(28,483)
Administrative expenses		**(88,988)**	(102,935)
Other expenses		**(9,340)**	(14,522)
Impairment losses on intangible assets		**–**	(7,552)
Finance costs	*5*	**(10,105)**	(6,899)
Share of loss of an associate		**(202)**	(130)
Exchange losses, net		**(6,771)**	(11,666)
PROFIT BEFORE TAX	*6*	**54,719**	107,780
Income tax expense	*7*	**(11,749)**	(23,480)
PROFIT FOR THE PERIOD		**42,970**	84,300
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		**7,551**	16,497
Other comprehensive loss 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**")		**(4,634)**	(5,828)
Other comprehensive income, net of tax		**2,917**	10,669
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**45,887**	94,969
Profit attributable to:			
Owners of the parent		**32,853**	79,910
Non-controlling interests		**10,117**	4,390
		42,970	84,300
Total comprehensive income attributable to:			
Owners of the parent		**35,770**	90,579
Non-controlling interests		**10,117**	4,390
		45,887	94,969
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)	*8*	**0.03**	0.08

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	**30 June 2023** *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**1,743,705**	1,761,973
Right-of-use assets		**88,964**	89,806
Investment in an associate		**666**	868
Equity investments designated at FVOCI	*10*	**26,221**	30,855
Financial assets at fair value through profit or loss ("**FVPL**")	*13*	**29,952**	37,119
Intangible assets		**7,261**	7,571
Deferred tax assets		**63,814**	28,311
Other non-current assets		**40,289**	50,826
Total non-current assets		**2,000,872**	2,007,329
CURRENT ASSETS			
Inventories	*11*	**279,250**	272,759
Trade receivables	*12*	**304,174**	233,739
Notes receivable		**260,180**	421,045
Prepayments and other receivables		**68,163**	59,596
Financial assets at FVPL	*13*	**5,900**	4,621
Restricted cash		**57,110**	7,081
Cash and cash equivalents		**414,843**	189,069
Total current assets		**1,389,620**	1,187,910

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	*14*	**412,385**	384,084
Other payables and accruals		**206,729**	363,347
Contract liabilities		**6,141**	4,458
Interest-bearing bank and other borrowings	*15*	**288,481**	247,094
Income tax payable		**29,636**	20,792
Current portion of long-term borrowings	*15*	**25,816**	14,693
Total current liabilities		**969,188**	1,034,468
NET CURRENT ASSETS		**420,432**	153,442
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,421,304**	2,160,771
NON-CURRENT LIABILITIES			
Deferred income		**9,551**	10,449
Deferred tax liabilities		**10,451**	11,570
Interest-bearing bank and other borrowings	*15*	**37,841**	38,793
Lease liabilities		**480**	–
Other non-current liabilities	*16*	**284,000**	–
Total non-current liabilities		**342,323**	60,812
Net assets		**2,078,981**	2,099,959
EQUITY			
Equity attributable to owners of the parent			
Share capital		**65,535**	65,807
Treasury shares		**(1,652)**	(4,467)
Reserves		**1,861,756**	1,976,131
		1,925,639	2,037,471
Non-controlling interests		**153,342**	62,488
Total equity		**2,078,981**	2,099,959

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the parent											
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Safety production fund *RMB'000*	Statutory reserve *RMB'000*	Fair value reserve of equity investments designated at FVOCI *RMB'000*	Translation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non – controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2023 (audited)	65,807	(4,467)	261,159	9,405	71,069	136,274	(12,189)	49,835	1,460,578	2,037,471	62,488	2,099,959
Profit for the period	–	–	–	–	–	–	–	–	32,853	32,853	10,117	42,970
Other comprehensive income for the period	–	–	–	–	–	–	(4,634)	7,551	–	2,917	–	2,917
Total comprehensive income for the period	–	–	–	–	–	–	(4,634)	7,551	32,853	35,770	10,117	45,887
Repurchase of own shares	–	(1,652)	–	–	–	–	–	–	–	(1,652)	–	(1,652)
Disposal of partial interest in a subsidiary*	–	–	–	(18,896)	–	–	–	–	–	(18,896)	18,896	–
Transfer of reserve upon a subsidiary's capital movement	–	–	–	11,000	–	(11,000)	–	–	–	–	–	–
Dividend distributed to shareholders *(Note 22)*	–	–	(59,900)	–	–	–	–	–	–	(59,900)	(5,313)	(65,213)
Deemed disposal of partial interest in a subsidiary**	–	–	–	(67,154)	–	–	–	–	–	(67,154)	67,154	–
Appropriation to safety production fund	–	–	–	–	4,158	–	–	–	(4,158)	–	–	–
Cancellation of own shares	(272)	4,467	(4,195)	–	–	–	–	–	–	–	–	–
At 30 June 2023 (unaudited)	65,535	(1,652)	197,064	(65,645)	75,227	125,274	(16,823)	57,386	1,489,273	1,925,639	153,342	2,078,981

* In June 2023, Tsaker Chemical (Hong Kong) Company Limited ("**Tsaker Hong Kong**") (a direct wholly-owned subsidiary of the Company) sold to several independent investors a total of 3,886,924 shares in Hebei Tsaker New Materials Technology Company Limited* ("**Tsaker Technology**") (an indirect non-wholly owned subsidiary of the Company), representing an aggregate of approximately 6.12% equity interest in Tsaker Technology, at an aggregate consideration of approximately RMB55,000,000. Pursuant to the share transfer agreement, in the event that Tsaker Technology fails to consummate a proposed listing on the Beijing Stock Exchange by 31 December 2024, each of the purchasers shall have a repurchase right to require Tsaker Hong Kong to repurchase all or part of its respective sale shares in Tsaker Technology at a repurchase price. Directors of the Company are of the opinion that the repurchase rights agreed in the above-mentioned transactions lead to contractual obligations to deliver cash or another financial asset to other entities and accounted for the considerations received from the independent investors as financial liabilities (note 16). Non-controlling interests were recognised at the proportionate share of Tsaker Technology's net assets at the transaction date.

** In March and April 2023, several independent investors agreed to inject an aggregate amount of RMB229,000,000 into Shandong Tsaker New Materials Co., Ltd.* ("**Shandong TNM**"), an indirect wholly-owned subsidiary of the Company, by way of cash contribution in return for approximately 9.84% equity interest in aggregate in the enlarged registered capital of Shandong TNM. Pursuant to the shareholders' agreements entered into for the above capital injection transactions, each of the independent investors (except an employee shareholding platform established by certain employees of Shandong TNM and its subsidiary) shall have repurchase rights to require Shandong TNM and/or Mr. GE Yi and/or Shandong TNM's immediate holding company to repurchase its equity interest in Shandong TNM at a repurchase price at any time on or after the occurrence of any trigger events defined in the shareholders' agreements. Directors of the Company are of the opinion that the repurchase rights agreed in the above-mentioned transactions lead to contractual obligations to deliver cash or another financial asset to other entities and accounted for the considerations received from the independent investors as financial liabilities (note 16). Non-controlling interests were recognised at the proportionate share of Shandong TNM's net assets at the transaction date.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2022

	Attributable to owners of the parent											
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Safety production fund *RMB'000*	Statutory reserve *RMB'000*	Fair value reserve of financial assets at FVOCI *RMB'000*	Translation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non – controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2022 (audited)	66,269	(5,893)	375,070	(5,030)	65,940	130,910	(589)	25,533	1,223,280	1,875,490	15,936	1,891,426
Profit for the period	–	–	–	–	–	–	–	–	79,910	79,910	4,390	84,300
Other comprehensive income for the period	–	–	–	–	–	–	(5,828)	16,497	–	10,669	–	10,669
Total comprehensive income for the period	–	–	–	–	–	–	(5,828)	16,497	79,910	90,579	4,390	94,969
Repurchase of own shares	–	(2,404)	–	–	–	–	–	–	–	(2,404)	–	(2,404)
Transfer of fair value reserve upon the disposal of equity investments at FVOCI	–	–	–	–	–	–	(5,756)	–	5,756	–	–	–
Deregistration of a subsidiary	–	–	–	–	–	(244)	–	–	244	–	–	–
Dividend distributed to shareholders *(Note 22)*	–	–	(69,388)	–	–	–	–	–	–	(69,388)	–	(69,388)
Cancellation of own shares	(323)	5,893	(5,570)	–	–	–	–	–	–	–	–	–
At 30 June 2022 (unaudited)	65,946	(2,404)	300,112	(5,030)	65,940	130,666	(12,173)	42,030	1,309,190	1,894,277	20,326	1,914,603

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2023

	Note	**2023** **RMB'000** **(Unaudited)**	2022 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		**81,318**	157,893
Income tax paid		**(46,638)**	(51,254)
Net cash flows from operating activities		**34,680**	106,639
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payment for the purchase of property, plant and equipment, right-of-use assets, and intangible assets		**(72,081)**	(62,438)
Purchase of an investment accounted for financial assets at FVPL-unlisted investments		**–**	(47,000)
Other cash flows used in investing activities		**(8,719)**	(4,501)
Net cash flows used in investing activities		**(80,800)**	(113,939)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from borrowings		**196,366**	138,064
Repayment of borrowings		**(123,146)**	(163,698)
Principal portion of lease liabilities		**(314)**	(259)
Dividend paid		**(65,213)**	(69,388)
Repurchase of own shares		**(1,652)**	(2,404)
Cash contribution from non-controlling interests of a subsidiary		**229,000**	–
Disposal of partial interest in a subsidiary		**55,000**	–
Other cash flows used in financing activities		**(18,630)**	-
Net cash flows from/(used in) financing activities		**271,411**	(97,685)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**225,291**	(104,985)
Cash and cash equivalents at beginning of period		**189,069**	180,075
Effect of foreign exchange rate changes, net		**483**	(1,110)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	*17*	**414,843**	73,980

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

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 2023 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 2022.

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 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

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

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. No cumulative effect was recognised as an adjustment to the balance of retained profits or other component of equity at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

    Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

    The adoption of amendments to HKAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

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

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has three (2022: four) 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.

Besides the above three operating segments, the Group had another operating segment named "others" in 2022 and years before. The "others" segment comprises, principally, the Group's environmental technology consultancy services which engages in environmental protection. With no revenue generated from this segment since 2022, the Group has ceased to report it as a separate operation segment.

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

The measurement of segment assets and liabilities is the same as that of the interim condensed consolidated statement of financial position as at 30 June 2023, excluding unallocated corporate assets and liabilities as these assets and liabilities are managed on a group basis.

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 2023 and 2022.

Six months ended 30 June 2023 (unaudited)	**Battery materials** *RMB'000*	**Dye and agricultural chemical intermediates** *RMB'000*	**Pigment intermediates and new materials** *RMB'000*	**Total for segments** *RMB'000*	**Corporate, other unallocated expenses and eliminations** *RMB'000*	**Consolidated** *RMB'000*
Revenue						
External customers	**217,966**	**585,414**	**193,035**	**996,415**	**–**	**996,415**
Inter-segment	**–**	**6,676**	**–**	**6,676**	**(6,676)**	**–**
Total revenue	**217,966**	**592,090**	**193,035**	**1,003,091**	**(6,676)**	**996,415**
Results						
Segment profit	**(116,584)**	**152,765**	**58,026**	**94,207**	**(39,488)**	**54,719**
Including:						
Write-down of inventories to net realisable value	**(9,092)**	**(6,620)**	**(116)**	**(15,828)**	**–**	**(15,828)**
Impairment of trade receivables and other receivables	**(4,800)**	**(1,140)**	**(7)**	**(5,947)**	**–**	**(5,947)**

Six months ended 30 June 2022 (unaudited)	Battery materials *RMB'000*	Dye and agricultural chemical intermediates *RMB'000*	Pigment intermediates and new materials *RMB'000*	Total for segments *RMB'000*	Corporate, other unallocated expenses and eliminations *RMB'000*	Consolidated *RMB'000*
Revenue						
External customers	250,864	474,461	197,912	923,237	–	923,237
Inter-segment	–	6,748	–	6,748	(6,748)	–
Total revenue	250,864	481,209	197,912	929,985	(6,748)	923,237
Results						
Segment profit	54,499	25,861	44,512	124,872	(17,092)	107,780
Including:						
Impairment losses on intangible assets	(7,552)	–	–	(7,552)	–	(7,552)

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

3. OPERATING SEGMENT INFORMATION (CONTINUED)

The following table presents asset and liability information of the Group's operating segments as at 30 June 2023 and 31 December 2022, respectively.

	Battery materials *RMB'000*	Dye and agricultural chemical intermediates *RMB'000*	Pigment inter-mediates and new materials *RMB'000*	Total for segments *RMB'000*	Corporate, other unallocated assets and liabilities and eliminations *RMB'000*	Consolidated *RMB'000*
Assets						
30 June 2023 (unaudited)	**1,689,971**	**1,754,528**	**397,410**	**3,841,909**	**(451,417)**	**3,390,492**
31 December 2022 (audited)	1,523,322	1,592,427	371,803	3,487,552	(292,313)	3,195,239
Liabilities						
30 June 2023 (unaudited)	**1,242,777**	**619,366**	**88,647**	**1,950,790**	**(639,279)**	**1,311,511**
31 December 2022 (audited)	990,207	572,924	90,726	1,653,857	(558,577)	1,095,280

Corporate and eliminations

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Reconciliation of profit		
Segment profit	**65,652**	124,872
Realisation of intersegment transactions	**1,465**	1,762
Corporate and other unallocated expenses	**(12,398)**	(18,854)
Profit before tax	**54,719**	107,780

Information about major customers

For the first six months of 2023, the Group did not have any revenue from sales to a single customer which accounted for 10% or more of the Group's total revenue.

For the first six months of 2022, revenue of RMB125,209,000 was derived from sales by the dye and agricultural chemical intermediates segment to a single customer.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**996,415**	923,237

Disaggregated revenue information for revenue from contracts with customers:

For the six months ended 30 June 2023

Segments	**Battery materials**	**Dye and agricultural chemical intermediates**	**Pigment intermediates and new materials**	**Total**
Types of goods	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Sale of goods	**217,966**	**585,414**	**193,035**	**996,415**
Total revenue from contracts with customers	**217,966**	**585,414**	**193,035**	**996,415**
Geographical markets				
Mainland China	**217,966**	**465,075**	**105,134**	**788,175**
India	**–**	**5,522**	**62,178**	**67,700**
Indonesia	**–**	**33,339**	**–**	**33,339**
Brazil	**–**	**24,398**	**–**	**24,398**
Germany	**–**	**23,014**	**–**	**23,014**
Spain	**–**	**14,680**	**–**	**14,680**
Taiwan, China	**–**	**13,831**	**6**	**13,837**
Japan	**–**	**–**	**13,502**	**13,502**
United States	**–**	**–**	**10,950**	**10,950**
Other countries/regions	**–**	**5,555**	**1,265**	**6,820**
Total revenue from contracts with customers	**217,966**	**585,414**	**193,035**	**996,415**
Timing of revenue recognition				
Goods transferred at a point in time	**217,966**	**585,414**	**193,035**	**996,415**
Total revenue from contracts with customers	**217,966**	**585,414**	**193,035**	**996,415**

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

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

For the six months ended 30 June 2022

Segments **Types of goods**	Battery materials *RMB'000* (Unaudited)	Dye and agricultural chemical intermediates *RMB'000* (Unaudited)	Pigment intermediates and new materials *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Sale of goods	250,864	474,461	197,912	923,237
Total revenue from contracts with customers	250,864	474,461	197,912	923,237
Geographical markets				
Mainland China	250,864	387,009	108,308	746,181
India	–	23,755	56,763	80,518
United States	–	–	17,693	17,693
Spain	–	17,358	–	17,358
Brazil	–	14,825	–	14,825
Japan	–	–	14,673	14,673
Taiwan, China	–	12,604	–	12,604
Germany	–	10,664	–	10,664
Other countries/regions	–	8,246	475	8,721
Total revenue from contracts with customers	250,864	474,461	197,912	923,237
Timing of revenue recognition				
Goods transferred at a point in time	250,864	474,461	197,912	923,237
Total revenue from contracts with customers	250,864	474,461	197,912	923,237

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June **2023** ***RMB'000*** **(Unaudited)**	 2022 *RMB'000* (Unaudited)
Interest on bank and other borrowings	**9,729**	9,114
Other finance costs	**376**	770
Less: Interest expenses capitalised	**–**	(2,985)
	10,105	6,899

No interest expenses was capitalised for the six months ended 30 June 2023 (the weighted average interest rate of capitalization for the six months ended 30 June 2022: 5.14%).

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**820,177**	660,897
Depreciation of property, plant and equipment	**74,013**	53,329
Research and development costs	**23,660**	8,823
Depreciation of right-of-use assets	**1,895**	1,570
Amortisation of intangible assets	**610**	1,184
Lease payment not in the measurement of lease liabilities	**309**	428
Auditors' remuneration	**550**	1,050
Wages, salaries and welfare	**77,110**	70,578
Pension and other social insurances	**21,579**	17,824
Exchange losses, net	**6,771**	11,666
Impairment losses on intangible assets	**–**	7,552
Loss on disposal of items of property, plant and equipment	**1,241**	415
Impairment of trade receivables and other receivables	**5,947**	–
Write-down of inventories to net realisable value*	**15,828**	–
Fair value loss, net:		
Financial assets at FVPL	**2,111**	7,331

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

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	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Income taxes		
Current income tax expense	**47,414**	23,385
Deferred income tax expense	**(35,665)**	95
Total income tax charge for the period	**11,749**	23,480

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	
	2023	2022
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to ordinary equity holders of the parent (RMB'000)	**32,853**	79,910
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation ('000)	**1,015,066**	1,020,691
Earnings per share		
Basic and diluted (RMB)	**0.03**	0.08

The Group did not have any dilutive potential ordinary shares during the six months ended 30 June 2023 and 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with an aggregate cost of RMB58,057,000 (six months ended 30 June 2022: RMB172,030,000).

Assets with a net book value of RMB2,312,000 were disposed of by the Group during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB1,441,000), resulting in a net loss on disposal of RMB1,241,000 (six months ended 30 June 2022: net loss of RMB415,000).

10. EQUITY INVESTMENTS DESIGNATED AT FVOCI

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Equity investments designated at FVOCI:		
Unquoted equity investments	**26,221**	30,855
Total	**26,221**	30,855

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

During the six months ended 30 June 2023, the Group recognised a loss of RMB4,634,000 in other comprehensive income in relation to the fair value change of equity investments designated at FVOCI (six months ended 30 June 2022: a loss of RMB5,828,000).

11. INVENTORIES

During the six months ended 30 June 2023, the Group wrote down RMB15,828,000 (six months ended 30 June 2022: Nil) of inventories to their net realisable value.

12. TRADE RECEIVABLES

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**313,044**	241,443
Impairment provision	**(8,870)**	(7,704)
	304,174	233,739

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 pledged trade receivables of approximately RMB39,734,000 to secure a bank loan of the Group (31 December 2022: approximately RMB36,972,000).

12. 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 2023 *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Within 1 month	**217,548**	163,099
1 month to 2 months	**43,826**	33,379
2 months to 3 months	**20,225**	7,391
3 months to 4 months	**13,608**	16,147
Over 4 months	**8,967**	13,723
	304,174	233,739

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2023 *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
At 1 January	**7,704**	6,294
Impairment provided	**1,167**	1,410
Amount written off as uncollectible	**(1)**	–
	8,870	7,704

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.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	**30 June 2023** ***RMB'000*** **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Financial assets at FVPL – current:			
Listed equity investments	*(i)*	**5,900**	4,621
Financial assets at FVPL – non-current:			
Unlisted investments	*(ii)*	**29,952**	37,119
		35,852	41,740

Notes:

(i) The listed equity investments were classified as FVPL as they were quoted equity investments 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.

14. TRADE AND BILLS PAYABLES

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

	30 June 2023 ***RMB'000*** **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Within 1 month	**160,643**	255,671
1 month to 2 months	**97,385**	44,232
2 months to 3 months	**30,919**	22,527
Over 3 months	**123,438**	61,654
	412,385	384,084

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

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2023			31 December 2022		
	RMB'000			*RMB'000*		
	(Unaudited)			(Audited)		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Short-term						
Bank loans – secured	**3.50-5.15**	**2023-2024**	**234,094**	3.20-6.80	2023	196,568
Bank loans – unsecured	**4.20-5.80**	**2023-2024**	**54,387**	4.50-5.80	2023	50,526
			288,481			247,094
Long-term						
Bank loans – secured	**5.00**	**2025**	**9,500**	5.00	2025	10,000
Bank loans – unsecured	**5.00**	**2023-2025**	**4,655**	5.00-7.20	2023-2025	4,900
Other borrowings – secured	**7.65-9.22**	**2023-2026**	**49,502**	8.32-9.22	2023-2025	38,586
			63,657			53,486
Less: Current portion of long-term bank and other borrowings			**(25,816)**			(14,693)
Interest-bearing bank and other borrowings – non-current			**37,841**			38,793
Total bank and other borrowings			**352,138**			300,580
Analysed into:						
Bank loans repayable:						
Within one year			**289,971**			247,584
In the second year			**1,490**			10,490
In the third to fifth years, inclusive			**11,175**			3,920
			302,636			261,994
Other borrowings repayable:						
Within one year			**24,326**			14,203
In the second year			**12,221**			15,288
In the third to fifth years,inclusive			**12,955**			9,095
			49,502			38,586
Total bank and other borrowings			**352,138**			300,580

(a) Certain of the Group's property, plant and equipment, right-of-use assets, and trade receivables with aggregate net carrying amounts of approximately RMB186,573,000 (31 December 2022: approximately RMB70,799,000) 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.

16. OTHER NON-CURRENT LIABILITIES

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Considerations received from independent investors in subsidiaries	**284,000**	–

As disclosed in the notes to Unaudited Interim Condensed Consolidated Statement of Changes in Equity, considerations received from independent investors for disposal/deemed disposal of the equity interests in two subsidiaries of the Group with repurchase rights given to these independent investors were accounted for and disclosed as non-current financial liabilities.

17. 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 2023	30 June 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash and bank balances	**471,953**	74,166
Less: Restricted cash	**(57,110)**	(186)
Cash and cash equivalents	**414,843**	73,980
Denominated in RMB	**354,571**	54,750
Denominated in other currencies	**60,272**	19,230
Cash and cash equivalents	**414,843**	73,980

Note:

As at 30 June 2023, restricted cash mainly represented deposits held for issuing bills payable.

18. 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 2023 and 31 December 2022, 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.

18. 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 2023 categorised into		
	Notes	**Fair value at 30 June 2023** ***RMB'000*** **(Unaudited)**	**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 assets:					
Notes receivable	*(i)*	**89,941**	**–**	**89,941**	**–**
Financial assets at FVPL – current	*(ii)*	**5,900**	**5,900**	**–**	**–**
Financial assets at FVPL – non-current	*(iii)*	**29,952**	**–**	**–**	**29,952**
Unquoted equity investments designated at FVOCI	*(iv)*	**26,221**	**–**	**–**	**26,221**
		152,014	**5,900**	**89,941**	**56,173**

			Fair value measurements as at 31 December 2022 categorised into		
	Notes	Fair value at 31 December 2022 *RMB'000* (audited)	Quoted prices in active markets for identical assets (Level 1) *RMB'000* (audited)	Significant observable inputs (Level 2) *RMB'000* (audited)	Significant unobservable inputs (Level 3) *RMB'000* (audited)
Financial assets:					
Notes receivable	*(i)*	79,873	–	79,873	–
Financial assets at FVPL – current	*(ii)*	4,621	4,621	–	–
Financial assets at FVPL – non-current	*(iii)*	37,119	–	–	37,119
Unquoted equity investments designated at FVOCI	*(iv)*	30,855	–	–	30,855
		152,468	4,621	79,873	67,974

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.

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

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

Notes: (continued)

(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.

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at FVPL – non-current	Valuation multiples	Median P/S	12.7	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB3,299,000
		Discount for lack of marketability	23%	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB988,000

(iv) The Group estimated the fair value of unquoted equity investments designated at FVOCI using different techniques based on each investment's features:

The fair value of the unquoted equity investments in a real estate fund designated at FVOCI, was estimated based on net assets of the underlying projects of the fund, given that the underlying projects were still under early-stage development.

The fair values of another two unquoted equity investments have been estimated using 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.

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unquoted equity investments designated at FVOCI	Valuation multiples	Median P/S	10.8, 2.1	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB321,000
		Discount for lack of marketability	44%, 38%	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB220,000

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

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

(b) Liabilities for which fair values are disclosed

		Fair value measurements using		
	Fair value at 30 June 2023	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Financial liabilities:				
Interest-bearing bank and other borrowings-non-current	**37,571**	**–**	**37,571**	**–**
Other non-current liabilities	**319,024**	**–**	**319,024**	**–**
	356,595	**–**	**356,595**	**–**

		Fair value measurements using		
	Fair value at 31 December 2022	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)	(Audited)
Financial liabilities:				
Interest-bearing bank and other borrowings-non-current	39,602	–	39,602	–

(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 2023 and 31 December 2022.

19. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

20. COMMITMENTS

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

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Plant and machinery	**33,077**	93,098

21. 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 2023 and 2022:

(a) Transactions with related parties:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Purchases of products and services:		
Cangzhou Aomu Agricultural Development Co., Ltd.	**418**	216
Dezhou Wugu Food Technology Co., Ltd.	**234**	196
Cangzhou Wugu Food Technology Co., Ltd.	**76**	28

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.

The related party transactions above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Outstanding balances with a related party:

	30 June	31 December
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables:		
Cangzhou Aomu Agricultural Development Co., Ltd.	**88**	200

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Compensation paid to key management personnel	**2,393**	1,956

22. DIVIDENDS

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

	30 June 2023 *RMB'000* **(Unaudited)**	30 June 2022 *RMB'000* (Unaudited)
2022 final dividend declared and paid during the period, RMB0.059 per ordinary share (six months ended 30 June 2022: RMB0.068)	**59,900**	69,388

(b) On 18 August 2023, the Board declared an interim dividend of RMB0.029 per ordinary share (the "**Interim Dividend**") (six months ended 30 June 2022: RMB0.036 per ordinary share), amounting to a total of approximately RMB29,443,000 (six months ended 30 June 2022: RMB36,689,000). The total amount of the Interim Dividend was calculated based on the issued and fully paid shares of the Company as at 30 June 2023. If taken the subsequent cancellation after 30 June 2023 of 2,664,000 shares into consideration, the total amount of the Interim Dividend amounted to approximately RMB29,365,000.

23. EVENTS AFTER THE REPORTING PERIOD

On 18 August 2023, the Board declared an interim dividend for the six months ended 30 June 2023 as set out in note 22.

24. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 was authorised for issue in accordance with a resolution of the Board on 18 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

Operating segment results

For the period ended 30 June 2023

	Battery materials	**Dye and agricultural chemical intermediates**	**Pigment intermediates and new materials**	**Total**
Revenue *(RMB' 000)*	**217,966**	**585,414**	**193,035**	**996,415**
Cost of sales *(RMB' 000)*	**251,218**	**453,945**	**115,014**	**820,177**
Sales volume *(tonnes)*	**17,786**	**36,393**	**5,738**	**59,917**
Gross profit margin	**-15.3%**	**22.5%**	**40.4%**	**17.7%**
Average unit selling price *(RMB/tonne)*	**12,255**	**16,086**	**33,642**	**16,630**

For the period ended 30 June 2022

	Battery materials	Dye and agricultural chemical intermediates	Pigment intermediates and new materials	Total
Revenue *(RMB' 000)*	250,864	474,461	197,912	923,237
Cost of sales *(RMB' 000)*	173,497	365,765	121,635	660,897
Sales volume *(tonnes)*	11,905	31,093	5,140	48,138
Gross profit margin	30.8%	22.9%	38.5%	28.4%
Average unit selling price *(RMB/tonne)*	21,072	15,259	38,504	19,179

During the Review Period, the total revenue of the Group increased by approximately 7.9% to approximately RMB996.4 million (six months ended 30 June 2022: approximately RMB923.2 million) as compared with that in the same period of 2022, and the overall gross profit of the Group decreased by approximately 32.8% period-on-period to approximately RMB176.2 million (six months ended 30 June 2022: approximately RMB262.3 million). The period-on-period decrease in gross profit was mainly due to the significant decrease in the average unit selling price of iron phosphate, the Group's major battery material product, resulting from market fluctuations. The overall gross profit margin of the Group decreased by approximately 10.7 percentage points period-on-period to approximately 17.7% (six months ended 30 June 2022: 28.4%).

During the Review Period, the profit attributable to equity holders of the parent decreased by approximately 58.8% period-on-period to approximately RMB32.9 million (six months ended 30 June 2022: approximately RMB79.9 million). The profit margin attributable to equity holders of the parent decreased by approximately 5.4 percentage points period-on-period to approximately 3.3% (six months ended 30 June 2022: approximately 8.7%).

Battery materials – accounting for approximately 21.9% of total revenue (six months ended 30 June 2022: 27.2%)

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

During the Review Period, the new energy vehicle and electrochemical energy storage industries sustained rapid growth, which greatly spurred the market demand for lithium iron phosphate battery products and upstream battery materials. The Group gradually launched iron phosphate products produced from its new production line with an annual production capacity of 50,000 tonnes. However, with the Group's new iron phosphate production capacities being gradually put into operation in the domestic market, and the price gaming in all links of the lithium battery industry chain, as well as the negative impact on the downstream production plans resulting from the huge volatility in the market price of lithium carbonate (another key raw material for the production of lithium iron phosphate) during the Review Period, the market price of iron phosphate during the Review Period significantly decreased as compared with that in the same period of 2022. The combined effect of the above factors led to a significant increase in sales volume and a sharp decrease in average unit selling price of the iron phosphate products of the Group during the Review Period. Revenue generated from the battery materials segment decreased by approximately 13.1% to approximately RMB218.0 million (six months ended 30 June 2022: approximately RMB250.9 million) as compared with that in the same period of 2022, representing approximately 21.9% of the Group's total revenue (six months ended 30 June 2022: 27.2%).

As for gross profit, the overall gross profit of this segment decreased to approximately RMB-33.3 million (six months ended 30 June 2022: approximately RMB77.4 million), and the gross profit margin decreased by approximately 46.1 percentage points to approximately -15.3% (six months ended 30 June 2022: approximately 30.8%), as compared with that in the same period of 2022.

Dye and agricultural chemical intermediates – accounting for approximately 58.8% of total revenue (six months ended 30 June 2022: 51.4%)

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

The Group is one of the world's three largest mononitrotoluene manufacturers. 4-nitrotoluene or para-nitrotoluene ("**PNT**"), 2-nitrotoluene or ortho-nitrotoluene ("**ONT**") and 3-nitrotoluene or meta-nitrotoluene ("**MNT**") are collectively referred to as mononitrotoluene. PNT is the major raw material 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. Meanwhile, ONT and ortho-toluidine ("**OT**") are major raw materials in the production of herbicides as agricultural chemicals.

During the Review Period, the market demand for DSD Acid recovered, resulting in a significant increase in the sales volume of DSD Acid as compared with that in the same period in 2022. Due to the tight market supply as a result of the prolonged production suspension of DSD Acid production lines in the same period of 2022, the average unit selling price of DSD Acid was relatively higher at that time. During the Review Period, the average unit selling price of DSD Acid decreased as compared with that in the same period of 2022. The combined effect of these two factors led to an overall increase of approximately 114.9% to approximately RMB287.5 million (six months ended 30 June 2022: approximately RMB133.8 million) in revenue of dye intermediate products of the Group as compared with that in the same period of 2022 .

During the Review Period, the average unit selling price of the agricultural chemical intermediate products of the Group increased while the sales of the products decreased, and the revenue of the products decreased by approximately 12.6% to approximately RMB297.9 million (six months ended 30 June 2022: approximately RMB340.7 million) as compared with that in the same period of 2022.

The total revenue of this segment for the Review Period increased by approximately 23.4% to approximately RMB585.4 million (six months ended 30 June 2022: approximately RMB474.5 million) as compared with that in the same period of 2022, accounting for approximately 58.8% of the Group's overall revenue (six months ended 30 June 2022: approximately 51.4%).

As for gross profit, the overall gross profit of this segment increased by approximately 21.0% to approximately RMB131.5 million (six months ended 30 June 2022: approximately RMB108.7 million), and the gross profit margin decreased by approximately 0.4 percentage point to approximately 22.5% (six months ended 30 June 2022: approximately 22.9%), as compared with that in the same period of 2022. In particular, the gross profit of dye intermediates increased by approximately 58.1% to approximately RMB55.8 million (six months ended 30 June 2022: approximately RMB35.3 million), and the gross profit margin decreased by approximately 7.0 percentage points to approximately 19.4% (six months ended 30 June 2022: 26.4%). The gross profit of agricultural chemical intermediates was approximately RMB75.7 million (six months ended 30 June 2022: approximately RMB73.4 million), which remained stable as compared with that in the same period of 2022, and the gross profit margin increased by approximately 3.9 percentage points to approximately 25.4% (six months ended 30 June 2022: 21.5%).

Pigment intermediates and new materials – accounting for approximately 19.4% of total revenue (six months ended 30 June 2022: 21.4%)

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

During the Review Period, the changes in the market competition environment were favourable to the Group, and the sales volume of the products of the Group's pigment intermediates and new materials segment increased as compared with that in the same period of 2022, while the average unit selling price of the products in this segment decreased as compared with that in the same period of 2022 due to changes in the structure of products sold. Due to the combined effect of the above two factors, revenue generated from the sales of the pigment intermediates and new materials segment was approximately RMB193.0 million (six months ended 30 June 2022: approximately RMB197.9 million), which remained stable as compared with that in the same period of 2022, accounting for approximately 19.4% of the Group's total revenue (six months ended 30 June 2022: approximately 21.4%).

As for gross profit, the overall gross profit of this segment increased by approximately 2.2% to approximately RMB78.0 million (six months ended 30 June 2022: approximately RMB76.3 million) and the gross profit margin of this segment increased by approximately 1.9 percentage points to approximately 40.4% (six months ended 30 June 2022: approximately 38.5%), as compared with that in the same period of 2022.

EXPORT

During the Review Period, the export revenue of the Group amounted to approximately RMB208.2 million, representing an increase of approximately RMB31.1 million or approximately 17.6% as compared with the export revenue of approximately RMB177.1 million in the same period in 2022. The increase in export revenue of the Group was mainly due to the increase in export volume of DSD Acid, the Group's major dye intermediate product.

During the Review Period, the export revenue accounted for approximately 20.9% of the total revenue, which remained basically stable as compared with approximately 19.2% in the same period in 2022.

BUSINESS OUTLOOK

During the Review Period, China's economy achieved recovery growth, while overseas economies made their way amidst volatility. The domestic new energy industry chain sustained a relatively high growth rate, as the new energy vehicle market remained prosperous with a rising penetration rate, and the energy storage market grew faster, which supported the further development of power batteries, energy storage batteries and related upstream raw material markets. By virtue of the resumption of production and daily living activities, the national economy recovered gradually, and the domestic consumption sectors delivered outstanding performance. However, factors such as the continuingly complex and volatile external environment, the aggressive interest rate hikes and high inflation hindering the recovery of overseas consumer demand, the ongoing geopolitical conflicts, and big-power politics continued to have a negative impact on the market confidence and the certainty of market development. In view of the complex and ever-changing market environment, the Group will continue to enhance its safety production management, increase its investment in research and development, continuously develop new products and processes, continuously reduce its product production costs and control various expenses incurred in order to maintain the Group's sustained, stable, healthy and innovative development.

During the Review Period, the battery materials segment experienced unprecedented volatility, and the market developed amidst drastic changes. The price of lithium carbonate, a key raw material for lithium batteries, dropped from about RMB600,000/tonne at the beginning of the Review Period to about RMB150,000/tonne at the end of April, and then rebounded to more than RMB300,000/tonne in early May, which caused a material adverse impact on the production plans of downstream customers and the sentiment to purchase the related raw materials, alongside the new iron phosphate production capacities being gradually put into operation in the domestic market, the average unit selling price of the Group's iron phosphate battery material products dropped significantly as compared with that in the same period of 2022. As at the end of the Review Period, the short-term volatility and adjustment on the market came to an end and the market price of iron phosphate became stable again. In order to cope with market changes and realise steady development, the Company has proactively adjusted its development plan for this segment by postponing the construction plan to build a new production line with a capacity of 80,000 tonnes/year and the expansion plan to expand the existing production line with a capacity of 30,000 tonnes/year to 60,000 tonnes/year from the planned completion by the end of 2023 to by the end of 2024 or in due course. The plans may be further adjusted in light of the actual market situation. Despite the above changes and adjustments, the Group still believes that with the extension of the domestic new energy vehicle purchase tax exemption policy, the continuation of the replacement subsidy policy and the continued government investment in public charging facilities, as well as the intensive rollout of policies to support the development of the new energy vehicle industry in major automobile consumer markets overseas, together with the strong explosive growth of the electrochemical energy storage industries, the global market demand for battery material products will continue to grow rapidly. The Group is still full of confidence in the long-term development of the battery materials segment in the future.

During the Review Period, the Group continued to push ahead the preparations for the spin-off and separate listing of Shandong Tsaker New Materials Co., Ltd.* (山東彩客新材料有限公司) ("**Shandong TNM**", changed as an indirect non-wholly owned subsidiary of the Group during the Review Period) and its subsidiary ("**Shandong TNM Group**") on a stock exchange recognised by the PRC (the "**Proposed Spin-off**"). In order to diversify the shareholder structure of Shandong TNM Group and expand its capital strength and facilitate its business development, in March and April 2023, Shandong TNM entered into capital increase agreements with ten independent investors including Sinopec Group Capital Co., Ltd.* (中國石化集團資本有限公司). The independent investors agreed to make cash capital contribution of RMB229,000,000 in aggregate to Shandong TNM in exchange for approximately 9.84% equity interest in the enlarged registered capital of Shandong TNM in aggregate. As at the end of the Review Period, the transactions under the capital increase agreements had been completed. The Company will make further announcement(s) on the Proposed Spin-off as and when appropriate in accordance with the relevant requirements under the Listing Rules.

During the Review Period, the market presence of the products of the Group's pigment intermediates and new materials segment was further strengthened, and both the sales volume and profit increased significantly as compared with that in the same period of 2022. The proposed transfer of listing of Hebei Tsaker New Materials Technology Company Limited* ("**Tsaker Technology**", an indirect non-wholly owned subsidiary of the Company primarily engaging in the production and sales of pigment intermediates and new material products) to the Beijing Stock Exchange (the "**BSE**") in China (the "**Proposed BSE Listing**") progressed smoothly. In order to diversify the shareholder base and promote the corporate profile and reputation of Tsaker Technology, in June 2023, Tsaker Chemical (Hong Kong) Company Limited ("**Tsaker Hong Kong**", a wholly-owned subsidiary of the Company) entered into a share transfer agreement with Hebei Industrial Investment Strategically New Industry Development Centre (Limited Partnership)* (河北產投戰新產業發展中心(有限合夥)), Hebei Structural Reform Fund (Limited Partnership)* (河北結構調整基金(有限合夥)) 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 "**Purchasers**"), pursuant to which Tsaker Hong Kong disposed of an aggregate of approximately 6.12% equity interest in Tsaker Technology to the Purchasers at an aggregate consideration of approximately RMB55,000,000. As at the end of the Review Period, the transaction under the share transfer agreement had been completed. The Company will make further announcement(s) on the Proposed BSE Listing as and when appropriate in accordance with the relevant requirements under the Listing Rules.

During the Review Period, benefiting from the recovery of domestic consumption, the domestic market demand for the dye intermediate products of the Group recovered significantly, and the sales volume of DSD Acid accordingly increased significantly period-on-period. However, subject to the relatively slow recovery of the demand in overseas markets, the total global demand for DSD Acid had not yet fully recovered, which was not favourable to the improvement of the market price and gross profit margin of DSD Acid. The Group's agricultural chemical intermediates products are mainly sold domestically with stable and rising profitability against the backdrop of domestic economic recovery and development. The Group believes that the revenue and profit of the dye and agricultural chemical intermediates segment will maintain positive growth along with economic recovery and easing inflation.

Looking ahead, the Group will continue to maintain a positive and stable development strategy, actively rise to market challenges, utilise its advantages acquired in the traditional business segments for a long period of time, and maintain its advantages in industry-leading technology, cost and market competitiveness. The Group will continue to increase investment in the battery materials segment, seize the opportunities arising from the rapid development of downstream industries, actively respond to the short-term adjustments in the process of market development, and further strengthen its competitive advantages in the industry, in order to lay a solid foundation for the long-term development of the Group.

FINANCIAL REVIEW

Revenue and gross profit

During the Review Period, the revenue and gross profit of the Group amounted to approximately RMB996.4 million and approximately RMB176.2 million respectively, representing an increase of approximately RMB73.2 million or 7.9% and a decrease of approximately RMB86.1 million or 32.8% from approximately RMB923.2 million and approximately RMB262.3 million, respectively in the same period in 2022. During the Review Period, the gross profit margin of the Group was approximately 17.7%, as compared with approximately 28.4% in the same period in 2022.

Net profit and net profit margin

During the Review Period, the net profit of the Group was approximately RMB43.0 million, representing a decrease of approximately RMB41.3 million or 49.0% as compared with approximately RMB84.3 million in the same period in 2022. During the Review Period, the net profit margin of the Group was approximately 4.3%, as compared with approximately 9.1% in the same period in 2022.

Selling and distribution expenses

During the Review Period, selling and distribution expenses amounted to approximately RMB23.9 million, representing a decrease of approximately RMB4.6 million as compared with approximately RMB28.5 million in the same period of 2022. During the Review Period, selling and distribution expenses represented approximately 2.4% of the Group's revenue (six months ended 30 June 2022: approximately 3.1%). The decrease in selling and distribution expenses was mainly attributable to the decrease in the per average unit freight cost of the Group.

Administrative expenses

During the Review Period, administrative expenses amounted to approximately RMB89.0 million, representing a decrease of approximately RMB13.9 million as compared with approximately RMB102.9 million in the same period in 2022. The decrease in administrative expenses was mainly attributable to the reduction of other administrative expenses as a result of the increase in investments in research and development and the implementation of effective cost control measures, which was partially offset by the increase in research and development costs.

During the Review Period, administrative expenses represented approximately 8.9% of the Group's revenue (six months ended 30 June 2022: approximately 11.1%).

Finance costs

During the Review Period, finance costs amounted to approximately RMB10.1 million, representing an increase of approximately RMB3.2 million as compared with approximately RMB6.9 million in the same period in 2022. The increase in finance costs was mainly attributable to the decrease in interest expense capitalised during the Review Period as compared with that in the same period in 2022.

Exchange losses

During the Review Period, the net exchange losses amounted to approximately RMB6.8 million as compared with the exchange losses of approximately RMB11.7 million in the same period in 2022, 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 RMB11.7 million, representing a decrease of approximately RMB11.8 million as compared with approximately RMB23.5 million in the same period in 2022. The decrease in income tax expense was mainly attributable to the decrease in the profit before tax during the Review Period as compared with the same period in 2022.

Cash flows

During the Review Period, the Group's net cash inflows from operating activities were approximately RMB34.7 million, representing a decrease of approximately RMB71.9 million as compared with approximately RMB106.6 million in the same period in 2022, which was mainly due to the decrease in operating profit and the decrease in the amount of VAT credit refund of the Group during the Review Period.

During the Review Period, the Group's net cash outflows from investing activities were approximately RMB80.8 million, representing a decrease of approximately RMB33.1 million as compared with approximately RMB113.9 million in the same period in 2022. The decrease was mainly due to the purchase of an unlisted equity investment by the Group in the same period in 2022 and no similar unlisted equity investment incurred during the Review Period.

During the Review Period, the Group's net cash inflows from financing activities were approximately RMB271.4 million, representing an increase of approximately RMB369.1 million as compared with net cash outflows of approximately RMB97.7 million from financing activities in the same period in 2022, which was mainly due to the completion of the introduction of first round of independent investors to Shandong TNM Group and the disposal of partial interest in Tsaker Technology held by Tsaker Hong Kong during the Review Period. For details, please refer to the Company's announcements dated 10 March 2023, 17 April 2023, 29 May 2023, 13 June 2023 and 26 June 2023.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the six months ended 30 June 2023. 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, disposal of partial interest in a subsidiary, capital injection from non-controlling interests and bank borrowings. As at 30 June 2023, the Group had cash and cash equivalents of approximately RMB414.8 million, which included approximately RMB354.6 million denominated in RMB and approximately RMB60.2 million in other currencies (USD, HKD and SGD) (31 December 2022: approximately RMB189.1 million, in which approximately RMB173.6 million denominated in RMB and approximately RMB15.5 million in other currencies (USD, HKD and SGD)). As at 30 June 2023, the Group had restricted cash of approximately RMB57.1 million denominated in RMB (31 December 2022: approximately RMB7.1 million denominated in RMB).

As at 30 June 2023, the Group had interest-bearing bank and other borrowings of approximately RMB352.1 million, all denominated in RMB with interest rate of 3.5% to 9.22% per annum (31 December 2022: approximately RMB300.6 million, all denominated in RMB with interest rate of 3.2% to 9.22% per annum), of which (i) approximately RMB314.3 million shall be repayable within one year (31 December 2022: approximately RMB261.8 million shall be repayable within one year), approximately RMB13.7 million shall be repayable in the second year (31 December 2022: approximately RMB25.8 million shall be repayable in the second year), and approximately RMB24.1 million shall be repayable in the third to the fifth year, inclusive (31 December 2022: approximately RMB13.0 million shall be repayable in the third to the fifth year, inclusive); and (ii) all bore fixed interest rates (31 December 2022: all bore fixed interest rates).

As at 30 June 2023, the Group had unutilised banking facilities of RMB135.1 million.

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 2023, the Group's gearing ratio was approximately 16.9% as compared with approximately 14.3% as at 31 December 2022, 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 2023, total current assets of the Group amounted to approximately RMB1,389.6 million (31 December 2022: approximately RMB1,187.9 million), primarily consisting of inventories of approximately RMB279.3 million (31 December 2022: approximately RMB272.8 million), trade and notes receivable of approximately RMB564.4 million (31 December 2022: approximately RMB654.8 million), prepayments and other receivables of approximately RMB68.2 million (31 December 2022: approximately RMB59.6 million), cash and cash equivalents of approximately RMB414.8 million (31 December 2022: approximately RMB189.1 million), restricted cash of approximately RMB57.1 million (31 December 2022: approximately RMB7.1 million), and financial assets at FVPL of approximately RMB5.9 million (31 December 2022: approximately RMB4.6 million).

INVENTORIES

Inventories of the Group mainly include raw materials, work-in-progress and finished products. The turnover days for inventories were 61 days during the Review Period, while those for the year ended 31 December 2022 were 62 days. The turnover days were stable. 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 2023, trade and notes receivable of the Group were approximately RMB564.4 million in aggregate, representing a decrease of approximately RMB90.4 million as compared with those of approximately RMB654.8 million in aggregate as at 31 December 2022.

The turnover days for trade and notes receivable were 110 days during the Review Period while those for the year ended 31 December 2022 were 81 days. The increase in such turnover days was mainly due to the fact that the credit period of the battery materials segment was longer than that of the Group's other business segments, and large-scale production and sales of battery material products did not materialise in early 2022. The size of the battery materials business significantly expanded during the Review Period. The Group is of the view that such increase will not have any material adverse impact on the cash flows of the Group.

PREPAYMENTS AND OTHER RECEIVABLES

As at 30 June 2023, prepayments and other receivables of the Group were approximately RMB68.2 million in aggregate, representing an increase of approximately RMB8.6 million as compared with those of approximately RMB59.6 million in aggregate as at 31 December 2022, mainly due to the increase in the amount of input VAT to be deducted.

CURRENT LIABILITIES

As at 30 June 2023, total current liabilities of the Group amounted to approximately RMB969.2 million (31 December 2022: approximately RMB1,034.5 million), primarily consisting of trade and bills payables of approximately RMB412.4 million (31 December 2022: approximately RMB384.1 million), other payables and accruals and contract liabilities of approximately RMB212.9 million (31 December 2022: approximately RMB367.8 million), interest-bearing bank and other borrowings of approximately RMB314.3 million (31 December 2022: approximately RMB261.8 million), and income tax payables of approximately RMB29.6 million (31 December 2022: approximately RMB20.8 million).

TRADE AND BILLS PAYABLES

The turnover days for trade and bills payables were 87 days during the Review Period while those for the year ended 31 December 2022 were 67 days. The increase in the turnover days was mainly due to an increase in the purchase from the suppliers offering longer credit periods.

OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

As at 30 June 2023, other payables and accruals and contract liabilities of the Group were approximately RMB212.9 million in aggregate, representing a decrease of approximately RMB154.9 million as compared with those of approximately RMB367.8 million in aggregate as at 31 December 2022, mainly due to the decrease in the endorsed notes receivable not derecognised.

PLEDGE OF ASSETS

As at 30 June 2023, certain Group's property, plant and equipment, right-of-use assets, and trade receivables with net carrying amounts of approximately RMB186.6 million (31 December 2022: approximately RMB70.8 million) were pledged to secure bank and other borrowings and bank facilities granted to the Group.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Save for the deemed disposals of partial interest in Shandong TNM resulting from the introduction of first round of independent investors to Shandong TNM Group and the disposal of partial interest in Tsaker Technology during the Review Period as disclosed above, there were no other 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 2023.

CAPITAL COMMITMENTS

For details of the Group's capital commitments, please refer to note 20 to the financial statements in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save for the construction plan to build a new iron phosphate production line with a capacity of 80,000 tonnes/year and to expand the existing iron phosphate production line with a capacity of 30,000 tonnes/year to 60,000 tonnes/year as disclosed above, which the Company will consider funding by the Group's internal resources, bank loan or equity financing, as at 30 June 2023 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 2023 (31 December 2022: 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 established its human resources policies and system with a view to adding more incentives and rewards to the remuneration system, which include a wide range of training and personal development programs for its employees.

The remuneration package offered to the employees is in line with their duties and the prevailing market terms. Employee benefits, including bonus, pension, medical coverage and provident funds, etc., are also provided to employees of the Group.

As at 30 June 2023, the Group had 2,031 employees (as at 30 June 2022: 1,924) in aggregate.

For the six months ended 30 June 2023, the total staff costs of the Group (including wages, bonuses, social insurances and provident funds) amounted to approximately RMB98.7 million (six months ended 30 June 2022: approximately RMB88.4 million). The increase in staff costs was mainly attributable to an increase in headcount as a result of the production capacity of the new iron phosphate production line being put into operation.

EVENTS SUBSEQUENT TO THE REVIEW PERIOD

Save as disclosed in note 23 to the financial statements in this announcement, the Group did not have any other significant subsequent events from 30 June 2023 and up to the date of this announcement.

INTERIM DIVIDENDS

The Board has resolved to declare and pay an interim dividend of RMB0.029 per ordinary share for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB0.036 per ordinary share).

The interim dividend shall be paid on 6 November 2023 (Monday) to the shareholders of the Company whose names appear on the register of members of the Company on 8 September 2023 (Friday). The interim dividend shall be declared in RMB and paid in Hong Kong dollars. The relevant exchange rate is HK$1:RMB0.918, 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 18 August 2023. The interim dividend payable in Hong Kong dollars shall be HK$0.032 per share, and the calculation method is as follows:

$$\frac{\text{RMB0.029 per share}}{\text{Exchange rate 0.918}} = \text{HK\$0.032 per share}$$

Based on the total number of shares of the Company of 1,012,597,500 shares as of the date of this announcement, the total amount of interim dividend amounted to approximately RMB29,365,000.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 September 2023 (Wednesday) to 8 September 2023 (Friday), both days inclusive, in order to determine the identity of the shareholders of the Company who are entitled to receive the interim dividends, 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 5 September 2023 (Tuesday).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended 30 June 2023, 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 1,416,500 shares on the Stock Exchange at a total consideration (before expenses) of HK$1,825,665. These 1,416,500 shares have been cancelled as at the date of this announcement.

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

Month	**Number of shares repurchased**	**Highest purchase price per share**	**Lowest purchase price per share**	**Total consideration (before expenses)**
		HK$	*HK$*	*HK$*
April 2023	62,000	1.39	1.38	85,830
May 2023	449,000	1.40	1.28	603,325
June 2023	905,500	1.29	1.23	1,136,510
	1,416,500			1,825,665

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 2023.

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code in Appendix 14 to the Listing Rules as its own code of corporate governance.

For the six months ended 30 June 2023, 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 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 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 Company will continue to review and monitor its corporate governance practices to ensure its compliance with the Corporate Governance Code.

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 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2023.

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 Mr. HO Kenneth Kai Chung.

The unaudited interim financial statements of the Group for the six months ended 30 June 2023 have been reviewed by the Audit Committee. Ernst & Young, 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 2023 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 dispatched to the shareholders of the Company.

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 2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

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

Beijing, the PRC, 18 August 2023

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

* *For identification purposes only*