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**TIANNENG POWER INTERNATIONAL LIMITED**

**天能動力國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00819)**

**RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**FINANCIAL HIGHLIGHTS**

- Revenue decreased by approximately 8.61% to approximately RMB76,669 million.
- Profit attributable to Shareholders decreased by approximately 37.29% to approximately RMB1,142 million.
- Basic earnings per share decreased to approximately RMB1.01.
- A final dividend of HK\$17 cents per share is proposed.

## 2024 ANNUAL RESULTS

The board of directors (the “**Board**”) of Tianneng Power International Limited (the “**Company**” or “**Tianneng**”) hereby announces the results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 together with that for the previous financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

		Year ended 31 December	
		2024	2023
	NOTES	RMB'000	RMB'000
Revenue	4	76,668,813	83,890,973
Cost of sales		<u>(71,756,466)</u>	<u>(77,926,315)</u>
Gross profit		4,912,347	5,964,658
Other income		2,100,727	1,897,109
Other gains and losses	5	61,989	(50,677)
Impairment losses under expected credit loss model, net of reversal		(38,271)	(55,439)
Distribution and selling expenses		(1,293,422)	(1,424,382)
Administrative expenses		(1,271,128)	(1,357,017)
Research and development costs		(2,033,214)	(1,927,152)
Share of results of associates		(485)	(835)
Finance costs	6	<u>(546,530)</u>	<u>(482,780)</u>
<b>Profit before tax</b>		1,892,013	2,563,485
Income tax expense	7	<u>(594,106)</u>	<u>(727,780)</u>
<b>Profit for the year</b>	8	<u><u>1,297,907</u></u>	<u><u>1,835,705</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** *(Continued)*

*For the year ended 31 December 2024*

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
<i>NOTE</i>	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>Other comprehensive (expense) income</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of income tax	<u>(69,131)</u>	<u>(6,067)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>237</u>	<u>—</u>
Other comprehensive expense for the year, net of income tax	<u><b>(68,894)</b></u>	<u><b>(6,067)</b></u>
<b>Total comprehensive income for the year</b>	<u><b>1,229,013</b></u>	<u><b>1,829,638</b></u>
<b>Profit for the year attributable to:</b>		
Owners of the Company	<b>1,142,405</b>	1,821,836
Non-controlling interests	<u><b>155,502</b></u>	<u>13,869</u>
	<u><b>1,297,907</b></u>	<u><b>1,835,705</b></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>1,073,511</b>	1,815,769
Non-controlling interests	<u><b>155,502</b></u>	<u>13,869</u>
	<u><b>1,229,013</b></u>	<u><b>1,829,638</b></u>
<b>Earnings per share</b>	<i>10</i>	
– Basic (RMB)	<u><b>1.01</b></u>	<u>1.62</u>
– Diluted (RMB)	<u><b>1.01</b></u>	<u>1.59</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current Assets</b>			
Property, plant and equipment		<b>14,223,807</b>	13,054,093
Right-of-use assets		<b>1,338,989</b>	1,350,614
Goodwill		<b>499</b>	499
Interests in associates		<b>315,515</b>	318,609
Equity instruments at FVTOCI		<b>246,553</b>	355,651
Deferred tax assets		<b>917,023</b>	916,290
Deposits for acquisition of property, plant and equipment		<b>252,118</b>	380,435
Loan receivables		<b>122,452</b>	297,486
Pledged/restricted bank deposits		<b>4,645,820</b>	737,320
		<b>22,062,776</b>	17,410,997
<b>Current Assets</b>			
Inventories		<b>8,283,938</b>	6,807,515
Properties under development for sale/properties for sale		<b>1,009,158</b>	883,491
Bills, trade and other receivables	<i>11</i>	<b>4,581,076</b>	5,031,601
Loan receivables		<b>658,540</b>	1,085,648
Amounts due from related parties		<b>13,728</b>	36,966
Debt instruments at FVTOCI		<b>397,042</b>	476,093
Financial assets at fair value through profit or loss (“FVTPL”)		<b>1,510,436</b>	320,828
Pledged/restricted bank deposits		<b>7,624,484</b>	5,242,219
Cash and cash equivalents		<b>9,139,377</b>	9,455,594
		<b>33,217,779</b>	29,339,955

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**At 31 December 2024*

		<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current Liabilities</b>			
Bills, trade and other payables	12	13,292,894	12,997,639
Amounts due to related parties		114,969	239,461
Taxation liabilities		383,422	455,722
Borrowings		12,720,516	6,240,750
Lease liabilities		5,427	7,215
Provision		500,550	631,508
Contract liabilities		2,254,577	2,713,775
		<u>29,272,355</u>	<u>23,286,070</u>
<b>Net Current Assets</b>		<u>3,945,424</u>	<u>6,053,885</u>
<b>Total Assets less Current Liabilities</b>		<u>26,008,200</u>	<u>23,464,882</u>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		80,769	90,031
Borrowings		5,800,964	2,826,775
Lease liabilities		21,884	6,315
Deferred government grants		1,195,660	1,093,547
Redemption liabilities on ordinary shares of a subsidiary		—	1,003,591
		<u>7,099,277</u>	<u>5,020,259</u>
<b>Net Assets</b>		<u>18,908,923</u>	<u>18,444,623</u>
<b>Capital and Reserves</b>			
Share capital		109,850	109,850
Share premium and reserves		16,050,716	15,750,030
		<u>16,160,566</u>	<u>15,859,880</u>
Equity attributable to owners of the Company		16,160,566	15,859,880
Non-controlling interests		2,748,357	2,584,743
<b>Total Equity</b>		<u>18,908,923</u>	<u>18,444,623</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

### 1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 16 November 2004 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) with effect from 11 June 2007.

The Company is an investment holding company. The principal activities of its subsidiaries are the manufacture and sales of lead-acid battery products, lithium-ion battery products and recycled materials and trading of materials.

The consolidated financial statements are presented in Renminbi (“**RMB**”) which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. SEGMENT INFORMATION

The Group's operating and reportable segments are based on information prepared and reported to the chief operating decision makers ("CODM"), being the board of directors of the Company, for the purposes of resources allocation and performance assessment. For the manufacturing operation, there was no further discrete financial information since the financial information provided to the CODM does not contain profit or loss information of each product line or each market segment and the CODM reviews the operating results of the manufacturing operation on a consolidated basis. Therefore, the operation of the Group constitutes two single operating and reportable segments, (1) manufacturing business and (2) trading.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented. The accounting policies of the operating and reportable segment are the same as the Group's accounting policies. Segment results represent the profits earned by each segment and exclude certain other gains and losses, share of results of associates, corporate administrative expenses and finance costs. Inter-segment sales are charged at cost plus profit approach.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Segment revenue</b>		
Manufacturing business		
– external sales	<b>43,559,147</b>	47,397,428
Trading		
– external sales	<b>33,109,666</b>	36,493,545
– inter-segment sales	<b>6,139,059</b>	6,318,624
Segment revenue	<b>82,807,872</b>	90,209,597
Eliminations	<b>(6,139,059)</b>	(6,318,624)
Group revenue	<b>76,668,813</b>	83,890,973
<b>Segment results</b>		
Manufacturing business	<b>1,358,978</b>	1,900,516
Trading	<b>(64,618)</b>	(7,368)
	<b>1,294,360</b>	1,893,148
<b>Unallocated</b>		
Other gains and losses	<b>61,989</b>	(50,677)
Share of results of associates	<b>(485)</b>	(835)
Corporate administrative expenses	<b>(6,836)</b>	(5,171)
Finance costs	<b>(51,121)</b>	(760)
Profit for the year	<b>1,297,907</b>	1,835,705



## Other segment information

For the year ended 31 December 2024	Manufacturing business RMB'000	Trading RMB'000	Unallocated RMB'000	Total RMB'000
Depreciation of property, plant and equipment	1,073,751	3,246	–	1,076,997
Impairment losses on property, plant and equipment	266,086	–	–	266,086
Depreciation of right-of-use assets	39,413	–	–	39,413
(Reversal) provision of impairment losses on trade receivables recognised in profit or loss	(5,319)	22,810	–	17,491
Loss on disposal/written off of property, plant and equipment	46,643	–	–	46,643
Interest income	456,111	23,144	5,705	484,960
Income tax expense (credit)	595,224	(1,118)	–	594,106
Write-down of inventories	<u>122,203</u>	<u>–</u>	<u>–</u>	<u>122,203</u>
For the year ended 31 December 2023	Manufacturing business RMB'000	Trading RMB'000	Unallocated RMB'000	Total RMB'000
Depreciation of property, plant and equipment	818,413	3,259	–	821,672
Depreciation of right-of-use assets	45,567	–	–	45,567
Impairment losses on trade receivables recognised in profit or loss	10,327	18,887	–	29,214
Loss on disposal/written off of property, plant and equipment	55,173	–	–	55,173
Interest income	551,105	16,751	474	568,330
Income tax expense	724,939	2,841	–	727,780
Write-down of inventories	<u>338,604</u>	<u>–</u>	<u>–</u>	<u>338,604</u>

## Information about major customers

During the year ended 31 December 2024 and 2023, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

#### 4. REVENUE

##### (i) Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Types of goods or service</b>		
Manufacturing business		
Lead-acid battery products	39,853,742	42,423,301
Renewable resources products	2,720,533	3,600,226
Lithium-ion battery products	478,360	876,813
Others ( <i>note</i> )	506,512	497,088
Trading	33,109,666	36,493,545
	<u>76,668,813</u>	<u>83,890,973</u>
<b>Geographical markets</b>		
Mainland China	76,362,071	83,651,021
Others	306,742	239,952
	<u>76,668,813</u>	<u>83,890,973</u>
<b>Timing of revenue recognition</b>		
A point in time	76,578,901	83,842,432
Over time	89,912	48,541
	<u>76,668,813</u>	<u>83,890,973</u>

*Note:* It includes provision of freight transportation service and sales of other products.

##### (ii) Performance obligations for contracts with customers and revenue recognition policies

###### *Sales of goods (revenue recognised at a point in time)*

The Group sells lead-acid battery products, renewable resources products, lithium-ion battery products and other products to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 45 to 90 days upon delivery.

Sales-related warranties associated with lead-acid battery products and lithium-ion battery products cannot be purchased separately and they serve as an assurance type of warranty that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37.

***Trading (revenue recognised at a point in time)***

The Group recognises revenue from trading of materials when the control of materials has transferred, being when customers collect the materials or obtain the control of the materials at the warehouse. Following the transfer, customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. Customers are normally required to make full prepayment before goods delivery.

***Freight transportation service (revenue recognised over time)***

The performance obligation is satisfied over time as services are rendered and payment is generally due upon delivery of the shipments and issuance of the invoice to the customers.

**(iii) Transaction price allocated to the remaining performance obligation for contracts with customers**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) in relation to sales of properties as at 31 December 2024 and 2023 and the expected timing of recognising revenue are as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within one year	<b>250,393</b>	65,186
More than one year but not more than two years	<u>—</u>	<u>222,731</u>
	<b><u>250,393</u></b>	<b><u>287,917</u></b>

All other sales contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

**5. OTHER GAINS AND LOSSES**

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net gains (losses) on financial assets at FVTPL		
– structured bank deposits	<b>34,963</b>	19,287
– investments in listed equity securities	<b>(6,261)</b>	(20,302)
– commodity derivative contracts	<b>49,102</b>	2,566
– foreign currency forward contracts	<b>4,225</b>	14,374
Loss on disposal/written off of property, plant and equipment	<b>(46,643)</b>	(55,173)
Net foreign exchange losses	<b>(1,410)</b>	(33,144)
Others	<u><b>28,013</b></u>	<u>21,715</u>
	<b><u>61,989</u></b>	<b><u>(50,677)</u></b>

## 6. FINANCE COSTS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest on borrowings	368,043	349,806
Interest on factorised bills	107,370	100,062
Interest on redemption liabilities on ordinary shares of a subsidiary	68,711	31,543
Interest on lease liabilities	<u>2,406</u>	<u>1,369</u>
	<u>546,530</u>	<u>482,780</u>

## 7. INCOME TAX EXPENSE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
People's Republic of China (the "PRC") Enterprise Income Tax ("EIT"):		
– Current tax	552,825	828,713
Deferred tax:		
– Current year	<u>41,281</u>	<u>(100,933)</u>
	<u>594,106</u>	<u>727,780</u>

The Company was incorporated in the Cayman Islands and Tianneng International Investment Holdings Limited, a wholly owned subsidiary of the Company, was incorporated in the British Virgin Islands (the "BVI") and they are tax exempted as no business has been carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI, respectively.

The subsidiaries of the Company operating in Hong Kong did not have tax assessable profit during both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", New and High Technical Enterprise is subject to income tax at a preferential tax rate of 15%. Certain subsidiaries of the Company were qualified as New and High Technical Enterprises in accordance with the applicable EIT Law and are subject to income tax at a preferential tax rate of 15% for a period of three years starting from 2021 to 2024 according to the EIT Law.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit before tax	<u><b>1,892,013</b></u>	<u>2,563,485</u>
Tax at the applicable income tax rate of 25% (2023: 25%)	<b>473,003</b>	640,871
Tax effect of expenses not deductible for tax purposes	<b>9,034</b>	4,349
Tax effect of tax losses not recognised	<b>198,836</b>	173,878
Utilisation of tax losses previously not recognised	<b>(24,109)</b>	(867)
Tax effect of deductible temporary differences not recognised	<b>96,935</b>	73,720
Income tax at concessionary rates	<b>(16,001)</b>	(10,756)
Tax effect of additional deduction related to research and development costs and certain staff costs	<b>(189,940)</b>	(198,770)
Withholding tax on undistributed profits of PRC subsidiaries	<u><b>46,348</b></u>	<u>45,355</u>
	<u><b>594,106</b></u>	<u>727,780</u>

## 8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Directors' remuneration	<b>4,685</b>	4,156
Other staff costs	<b>2,709,549</b>	3,087,309
Retirement benefits scheme contributions, excluding directors	<b>190,013</b>	184,068
Share-based payments	<u><b>6,746</b></u>	<u>8,427</u>
Total staff costs	<u><b>2,910,993</b></u>	<u>3,283,960</u>
Depreciation of property, plant and equipment	<b>1,076,997</b>	821,672
Depreciation of right-of-use assets	<b>39,413</b>	45,567
Impairment losses recognised on property, plant and equipment included in cost of sales	<b>266,086</b>	—
Auditor's remuneration	<b>2,380</b>	2,180
Cost of inventories sold	<b>68,845,473</b>	74,642,355
Write-down of inventories (included in cost of sales)	<u><b>122,203</b></u>	<u>338,604</u>

## 9. DIVIDENDS

### Year ended 31 December

2024	2023
<i>RMB'000</i>	<i>RMB'000</i>

Dividends declared during the year:

2024: 2023 final dividend of HK43.00 cents

(equivalent to RMB39.15 cents)

2023: 2022 final dividend of HK40.00 cents

(equivalent to RMB35.52 cents)

<b>440,832</b>	<b>400,005</b>
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Subsequent to the end of the reporting period, a final dividend of HK17.00 cents (equivalent to RMB15.69 cents) (2023: HK43.00 cents (equivalent to RMB39.15 cents)) in respect of the year ended 31 December 2024 per ordinary share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

### Year ended 31 December

2024	2023
<i>RMB'000</i>	<i>RMB'000</i>

#### Earnings:

Earnings for the purposes of calculating basic and diluted earnings per share

– attributable to owners of the Company

<b>1,142,405</b>	<b>1,821,836</b>
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### Year ended 31 December

2024	2023
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#### Number of shares:

Weighted average number of ordinary shares for the purpose of calculating basic earnings per share

<b>1,126,124,500</b>	1,126,124,500
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Effect of dilutive potential ordinary shares – share options

<b>8,177,341</b>	21,909,530
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Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share

<b>1,134,301,841</b>	<b>1,148,034,030</b>
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## 11. BILLS, TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bills receivables*	<u>1,929,737</u>	<u>1,742,657</u>
Trade receivables	1,769,237	2,101,758
Less: Allowance for credit losses	<u>(233,315)</u>	<u>(291,232)</u>
	<u>1,535,922</u>	<u>1,810,526</u>
Other receivables	158,681	140,699
Less: Allowance for credit losses	<u>(51,020)</u>	<u>(55,819)</u>
	<u>107,661</u>	<u>84,880</u>
Prepayments for materials	217,938	698,658
PRC value added tax and EIT recoverable	<u>789,818</u>	<u>694,880</u>
	<u><b>4,581,076</b></u>	<u><b>5,031,601</b></u>

\* The balance represents bills receivables held by the Group which is measured at amortised cost since the bills are held within a business model whose objective is to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. All bills received by the Group are with a maturity period of less than one year.

As at 1 January 2023, trade receivables from contracts with customers amounted to RMB1,387,369,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 45 days	916,782	988,618
46 to 90 days	389,176	538,833
91 to 180 days	57,194	140,801
181 to 365 days	22,401	93,671
1 year to 2 years	141,784	23,007
Over 2 years	<u>8,585</u>	<u>25,596</u>
	<u><b>1,535,922</b></u>	<u><b>1,810,526</b></u>

## 12. BILLS, TRADE AND OTHER PAYABLES

	As at 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	2,398,507	2,492,342
Bills payables	6,808,120	6,154,646
Value added tax payables and other tax payables	663,854	766,238
Staff salaries and welfare payables	519,600	646,354
Payables for purchase of property, plant and equipment	1,759,105	1,671,923
Accrued charges	567,859	624,414
Deposits payables	363,335	365,068
Dividend payables	741	688
Other payables	211,773	275,966
	<u>13,292,894</u>	<u>12,997,639</u>

The Group normally receives credit terms of 5 days to 90 days (2023: 5 days to 90 days) from its suppliers. The following is an aged analysis of trade payables at the end of the reporting period, presented based on the invoice dates:

	As at 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 90 days	1,970,491	2,043,673
91 – 180 days	162,061	253,180
181 – 365 days	148,593	40,140
1 – 2 years	35,861	115,324
Over 2 years	81,501	40,025
	<u>2,398,507</u>	<u>2,492,342</u>

The following is an aged analysis of bills payables from issue dates at the end of the reporting period:

	As at 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 – 180 days	6,808,120	6,152,115
181 – 365 days	–	2,531
	<u>6,808,120</u>	<u>6,154,646</u>



## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATION REVIEW

For the reporting period ended 31 December 2024 (the “**Reporting Period**”), the Group, with its core value of “Innovation for Change”, actively implemented strategies of “industry, technology and capital” against the backdrop of the global energy transformation and shifting market dynamics. It persistently cultivates its traditional strengths while expediting the progress of new energy and green development, thereby fostering the steady development of its various businesses. In response to the changes in the global economy and challenges brought about by the external environment, Tianneng has demonstrated robust resilience and adaptability by solidifying its core business, intensifying innovation endeavors, and improving operational efficiency. During the year, the Group further capitalized on its expertise in the lead-acid battery lifecycle industry chain to continue to develop the market for electric light vehicles, energy storage systems (“**ESS**”) for telecommunications, uninterruptible power supply (“**UPS**”), and automotive starter and start-stop batteries, while broadening the utilization of Li-ion batteries in industrial and commercial energy storage and special industrial vehicles. Through the integration of the multiple technologies of “lead, lithium, hydrogen, and sodium”, the Group aims to accelerate cross-system innovation and closed-loop construction of the battery recycling industry, as well as hasten the expansion into international markets, thereby accelerating the construction of a low-carbon and recycling development business system.

During the Reporting Period, the Group continued to strengthen the integration and optimization of the entire life cycle industry chain of lead-acid batteries, with the deep integration of all aspects including research and development (“**R&D**”), production, and recycling, to ensure the continuous improvement of product quality and enhancement of market competitiveness. In the face of uncertainties stemming from fluctuating raw material prices and policy adjustments, the Group actively adapted to evolving market demands and promptly adjusted the direction of technological R&D. The Group has not only completed the comprehensive upgrading of multiple champion-level lead-acid battery products but also launched a series of new motive batteries. By aligning technological innovations with current trends, the Group has boosted the market adaptability of its products and further expanded the range of applications within its business, thereby reinforcing its competitive advantages across diverse markets.

At the same time, the Group has proactively explored diversified markets for battery products employing various technologies. The Group has continued to lead the advancement of lead-carbon battery technology and optimised key technologies of Li-ion batteries. By merging technological innovation, product diversification and scenario-based solutions, the Group also explored the application of battery products in fields such as UPS for communication bases and special industrial vehicles. Moreover, we have expedited R&D and production of hydrogen fuel cells, sodium-ion batteries, solid-state batteries and other technologies, achieving significant breakthroughs in several aspects. We have promoted a range of energy storage projects for production and grid connection, and successfully delivered China's first "Network-Source-Storage-Vehicle" synergistic energy supply and storage system. The Group has introduced several innovative products into the market, including the battery management system and liquid-cooled ESS, thereby expanding its endeavors in energy storage technology. With the successful delivery of multiple projects, the Group's new energy battery sector has gained valuable experience in technology integration and diverse applications, laying a solid foundation for future projects' development.

As a prominent enterprise in the recycling industry, the Group is dedicated to ensuring the harmless disposal of waste batteries by standardizing the recycling procedures and enhancing environmental standards. This year, we have ramped up the development of recycling and disposal capacity for waste batteries, increasing the annual disposal capacity of lead-acid batteries to approximately 1.2 million tonnes and the annual disposal capacity of Li-ion batteries to more than 70,000 tonnes. The recycling and disposal technology of waste batteries has been further upgraded and widely used in new production lines, which provides a solid foundation for the green development of lead-acid and Li-ion batteries. In the field of lead-acid battery recycling, the Group has innovated in the use of mixed materials to replace conventional iron oxide scale, leading to a substantial boost in production capacity and reduced costs. Technological enhancements have further improved the synergy between lead-acid battery recycling and production, improving resource utilization efficiency. In terms of Li-ion battery recycling, the Group has implemented innovative technology in each disposal process within the new production lines. The Group builds a complete technical system of performance testing of retired Li-ion batteries, crushing and sorting, pyrolysis enrichment of cathode materials, deep reduction, efficient separation and high-value utilization for material, which has greatly enhanced the recycling rate. The Group attaches great importance to the social responsibility of battery recycling. Driven by policy support and technological progress, we will further strengthen our influence on sustainable development and environmental protection in the future.

In 2024, the Group accelerated its globalization strategy, streamlined the organizational structure by merging the international business division, and achieved market breakthroughs by key project construction and stepping into the international market. These efforts have accumulated rich experience for future rapid growth and global development. During the Reporting Period, the Group has achieved notable advancements in its business expansion within key markets such as Vietnam, Indonesia and Cambodia. With the launch of the first batch of batteries from the Vietnamese factory, the opening of the representative office in Indonesia and the unveiling of the brand culture hall in Cambodia, Tianneng has further strengthened its presence in the Southeast Asian market. Given the swiftly growing overseas demand for light electric vehicles, the Group's overseas business holds immense potential for growth. We will continue to strengthen cooperation with the upstream and downstream of the local industrial chain counterparts, improve product market adaptability and technological innovation, refine production and supply chain management, and actively establish a global distribution and after-sales service network to better facilitate the realization of our globalization strategy.

## **INDUSTRY DEVELOPMENT AND OPERATION**

During the Reporting Period, the Group's manufacturing business contributed revenue of approximately RMB43,559 million. The industry development and operating conditions for each main business are as follows:

### **(1) High-end eco-friendly batteries**

High-end eco-friendly batteries are a series of sealed maintenance-free lead-acid battery products created by the Group relying on its R&D and technology innovations, which are widely used in light electric vehicle, lead-carbon for ESS, special industrial vehicle, starter and start-stop system for automobiles and UPS for communication bases. During the Reporting Period, the high-end eco-friendly batteries business of the Group recorded an operating income of approximately RMB39,854 million.

#### ***Motive lead-acid batteries***

As one of the core products of the Group, the motive lead-acid batteries are widely used in the field of light electric vehicles (such as two-wheeled electric vehicles and three-wheeled electric vehicles) and are the business segment contributing the most revenue and profit. During the Reporting Period, the Group's motive lead-acid battery business has recorded an operating income of approximately RMB37,181 million.

Lead-acid batteries have the advantages of low cost and stable performance. Lead-acid batteries, serving as the primary power source for light electric vehicles, are experiencing a steady rise in demand that aligns with the evolving market dynamics of light electric vehicles in China. On 24 August 2024, 5 departments, including the Ministry of Commerce of the PRC, issued the “Implementation Plan for Promoting the Trade-ins of Electric Bicycles” (推動電動自行車以舊換新實施方案), offering subsidies to electric bicycles for trade-ins, and suggested increasing subsidies for consumers who return old electric bicycles equipped with Li-ion batteries and purchase electric bicycles with lead batteries. In January 2025, 5 departments, including the Ministry of Industry and Information Technology of the PRC, unveiled the newly revised “Safety Technical Specification for Electric Bicycle” (電動自行車安全技術規範), relaxing the vehicle weight limit of lead-acid battery models from 55kg to 63kg. A series of preferential subsidy policies and industry norms and standards introduced by the government have created a more favorable environment for the development of lead-acid battery businesses.

During the Reporting Period, the Group focused on technological innovation as the driving force and structural optimization as the central theme. By aligning efforts across the three aspects of production, products and market, the Group made excellent progress, solidifying the foundation for high-quality development of the lead-acid battery business. In terms of production, the Group fully executed the objectives of “optimal planning, optimal structure, optimal inventory, and overall assurance.” By advancing smart manufacturing technologies across the entire base and implementing technological transformation for equipment, the production efficiency and supply warranty capacity have been steadily improved, the cost control has been continuously reinforced, the potential for cost reduction has been deeply explored, and the cost competitiveness of products has been significantly strengthened. During the Reporting Period, the Group proactively promoted smart manufacturing and green factory construction. The “Smart Manufacturing Plan Management System in the Lead Industry” (鉛產業智能製造計劃管理系統) independently developed by the Group has received recognition from the China National Intellectual Property Administration. This acknowledgment underscores Tianneng’s technological strength and innovative ability in the field of smart manufacturing. Furthermore, by leveraging 5G technology, the Internet of Things and AI applications, the Group has successfully achieved the digital transformation of its production lines and management systems. Puyang Factory, Tianneng’s first 5G factory, has taken the lead in achieving intelligent production and green standardisation, which has significantly improved the production efficiency, capacity and quality of the whole factory.

As for products, the Group aims at “maintaining the stability of conventional products, ensuring that product upgrades are both stable and speedy, and that products derived from scientific research are both standard and excellent.” The Group has fully utilised the synergy of its R&D team to further enhance the performance of its products, resulting in a significant increase in the cycle life and low-temperature performance of the batteries, thus ensuring the continued competitiveness of its products. During the Reporting Period, newly released lead-acid batteries for motorcycles, such as the Crown Series and high-end motive lead-acid battery, such as the True Black Gold Series, achieved new sales breakthroughs. The Cloud Power Series batteries, which utilizes high-specific-capacity composite materials, has commenced large-scale deliveries. The Group has collaborated with motorcycle companies to develop high-performance motorcycles. These products feature the Group’s nano-lead carbon motive batteries, which leverage high-density cluster technology and are designed with a matrix cluster structure, demonstrating exceptional performance in power, range and charging rate.

In the market segment, the Group has successfully achieved full integration of traditional channels with Tab Mobility (泰博出行), online marketing and digital marketing. With an extensive offline sales network comprising over 3,000 distributors spanning more than 400,000 end-user stores in China, we have advanced the integration of new models and innovations, empowered marketing efforts by digital strategies, and provided enhanced support to partners through refined operations and management practices. It has achieved efficient coordination of “people, goods, market and services,” and improved the competitiveness of the channel. During the Reporting Period, the Group facilitated the promotion of its digital marketing model, upgraded the Tianneng Innovation Cloud Business Model, and built tens of new online and offline integrated service experience centres, which improved channel quality and further enhanced its competitiveness. At the same time, the product structure has been further optimized with a significant improvement in operating quality.

As the global trend of green transportation becomes more pronounced, a wide market for light electric vehicles is emerging in international markets. In response to the rising overseas demand for new energy solutions, the Group has proactively advanced its international strategy to broaden its presence in overseas markets. During the Reporting Period, Tianneng's overseas revenue increased significantly across business segments such as motive batteries, UPS and ESS. The Group has been gradually localising its production and sales operation in Vietnam, with the first assembly factory put into operation. The self-built production base project, boasting an annual production capacity of 2.5GWh, has smoothly transitioned into the construction phase. Tianneng's international R&D team has made remarkable achievements in product localization by launching lead-acid battery products tailored for high-temperature regions such as Southeast Asia, which has extended the overall lifespan, effectively compensating for the localization efforts in lead-acid battery products. Taking the base in Vietnam as its starting point, the Group has gradually upgraded from “selling out” to “going out”, including new offices established in various countries across Southeast Asia, Europe, the Americas, and other regions; active participation in international exhibitions such as Future Mobility Asia and the 2024 Saudi Solar & Storage Exhibition; and the successful entering of contracts with tens of Tianneng brand overseas collaborators. As a green planet and a zero-carbon future require enhanced global collaboration of higher quality, the Group will expedite its in-depth penetration into the global market to achieve enhanced development within a new pattern of mutually beneficial cooperation.

### ***Lead-carbon ESS batteries***

Lead-carbon batteries have become an essential player in electrochemical energy storage. They possess distinct advantages regarding safety, production and recycling processes, and cycle life. Their application prospects are broad in the scenarios that requires the highest standards of safety, such as big data centres, new energy power stations and communication bases. During the Reporting Period, the lead-carbon ESS battery business of the Group recorded an operating income of approximately RMB218 million.

The Group's high-performance lead-carbon batteries excel in the field of new energy and energy conservation, showcasing remarkable technical advantages. Lead-carbon battery products are safe, reliable, non-flammable and adaptable to a variety of complex applications, ensuring exceptional quality assurance. Features a modular integrated design, liquid-cooled stacking battery packs, and a station-type layout with a flexible external connection for easy installation and maintenance to meet diverse needs. Furthermore, the battery system incorporates a high-performance integrated design with flexible and adjustable configurations, making it well-suited for a wide range of applications. Adhering to the green and low-carbon concept, Tianneng's lead-carbon batteries are recyclable in terms of cathode and anode materials and electrolyte. Its mature technology facilitates the development of a circular economy and realises the benefits of environmental protection throughout the whole lifecycle. These advantages underscore the outstanding performance of the Group's lead-carbon batteries in terms of safety, flexibility, environmental sustainability and reliability, delivering qualified energy storage solutions to industry.



During the Reporting Period, the Group launched the OPzV-1000 valve regulated gel solid-state lead-carbon battery, which can be widely used in power plants, nuclear power plants, communication bases, railway transport and new energy ESS to meet the needs of DC power supply for multiple situations. The gel electrolyte design of the products offers excellent high-temperature performance and deep discharge recovery capabilities, effectively addressing the common difficulties such as “low energy efficiency, short lifespan, and long charging time.” It exceeds the expected requirements of “high energy efficiency, prolonged energy storage, and maintenance-free” for energy storage power stations, enabling customers to access safe, steady, and efficient power solutions. For downstream applications, the lead-carbon energy storage battery management system (“BMS”) and energy management system (“EMS”) independently developed by Tianneng were successfully applied, leading to substantial enhancements in production efficiency and cost control capabilities at the production bases. Tianneng has consistently been dedicated to upstream and downstream collaborative innovation in the industrial chain, aiming to achieve a revolutionary advancement in lead-carbon battery technology. It promotes diversified and sustainable development in energy storage while offering new solutions for energy storage. The Group will fully leverage the technical advantages and application value of lead-carbon batteries in the field of energy storage. Through a digital intelligent control system, it will integrate various elements such as distributed energy, user-side energy storage, and adjustable loads to enhance local electricity supply reliability and improve grid flexibility and regulation capabilities.

#### ***Other high-end eco-friendly batteries***

Due to their excellent characteristics, lead-acid batteries are also widely applied in other fields, including the starter and start-stop system for automobiles and UPS for data centres and telecommunication bases. During the Reporting Period, other high-end eco-friendly battery business of the Group recorded an operating income of approximately RMB2,455 million.

In the field of automotive batteries, Tianneng focuses on R&D of new technologies, application of new materials and development of new products. The Group has successfully created EFB+ new energy auxiliary batteries, tailored for mainstream new energy vehicles in the market. The Group has independently developed marine batteries, which have filled the gap in the field of ship’s starter batteries and expanded the scope of automotive battery applications. During the Reporting Period, the air conditioning battery was launched successfully. Its performance was upgraded iteratively, and its reserve capacity and low-temperature discharge capacity surpassed the market average, which attracted extensive attention from downstream customers. With years of technological accumulation and ongoing investments in R&D, Tianneng has garnered market recognition for its absorbent glass mat (“AGM”) batteries, known for their high starting current, deep cycle capabilities, and extended service life. During the Reporting Period, Tianneng’s automotive battery division acquired over 100 new distributors in the secondary market, demonstrating the continuous improvement of its product competitiveness. In terms of the primary market, Tianneng has established a close cooperative relationship with Lincoln Motor Sales Service (Shanghai) Co., Ltd., successfully installed auxiliary automotive battery in 2024, and paving the way for new development opportunities within the Group’s automotive battery business.

In the field of special industrial vehicles motive batteries, the Group has completed the development of a gel maintenance-free tubular battery for high-altitude working platforms, thus expanding the product mix in the field of industrial batteries; developed explosion-proof forklift truck batteries suitable for use in explosive gas and dust environments, securing professional certificates for explosion-proof successfully; completed the development of special lead-acid batteries for coal mines, passing the safety labelling review and achieved product performance that is comparable to international standards. These advancements have significantly enhanced the competitiveness of industrial and special vehicle batteries in terms of technology and products.

## **(2) New energy batteries**

The Group's new energy batteries businesses are mainly R&D, production and sales of next-generation battery products such as Li-ion batteries, hydrogen fuel cells, sodium-ion batteries and solid-state batteries.

### ***Li-ion batteries***

During the Reporting Period, the Group's Li-ion batteries businesses recorded an operating income of approximately RMB478 million. The Group primarily applies its Li-ion batteries in the ESS sector and motive battery sector. The ESS sector mainly takes the product supply, project design and construction for ESS battery cells as development direction, which possesses EPC general contracting and service delivery capabilities. Within the ESS application fields including power side, grid side, and user side, the Group offers system solutions for various technologies. The motive battery sector mainly focuses on application scenarios such as light electric vehicles, low-speed electric vehicles and special industrial vehicles, providing diversified energy solutions to downstream partners.

During the Reporting Period, for the ESS sector, the Group released multiple ESS series products and intelligent ESS. Its wide temperature adaptability, safety, and recycling times have been significantly enhanced, allowing the new system to unleash greater value and providing stable and reliable power support for various application scenarios. In terms of technological R&D, preparations for the mass production of the Group's self-developed energy storage BMS have been completed and are scheduled to be put into production lines in 2025 to serve as supplies for the ESS cabinets and large ESS systems. Meanwhile, the prototype of the first low-speed motive battery BMS protection board independently developed by Tianneng has finished development, and mass production is expected to be achieved in 2025. The introduction of such innovative technologies will fully empower the ESS sector and low-speed motive battery business, enhance the competitive edges of its products and lay a solid foundation for the Company's high-quality development in the future.



For market expansion, the Group actively promoted the entering of strategic cooperation framework agreements with several well-known institutions of ESS construction in the country. These agreements cover various aspects including the supply of ESS cells and system integration, independent ESS power stations as well as wind and solar power station projects. By deepening a comprehensive, multi-level cooperation, the Group strives to jointly promote the implementation of ESS projects and assist the new ESS industries to speed up development and technological innovation. During the Reporting Period, Tianneng officially commenced the 37.5MW/100.5MWh Li-ion battery ESS power station project located in the He County, Anhui Province. The project primarily serves the purpose of peak load shifting, electricity storage and power management, creating Tianneng's first self-developed 100MW lithium battery user-side ESS project.

In the field of low-speed motive lithium batteries, the Group achieved breakthroughs from its continuous technological innovation and strategic upgrade. During the Reporting Period, Tianneng launched several strategic-graded new product matrices, all of which are equipped with the independently developed low-speed vehicle-grade LFP high-energy safety lithium-ion technology, prominently extending the normal cycle life. This product is applicable in scenarios such as three-wheeled electric vehicles, low-speed vehicles, forklifts and construction machinery vehicles, and empowers the increment of user value through the dual-wheeled drive model of "technology+service". Moreover, the Group introduced innovative service standards which combine brand, channel and service into a three-in-one guarantee system, aiming to build an ecosystem for our nationwide partners to develop in the long run.

During the Reporting Period, two solid-state battery cells products successfully designed and prepared by the Group have passed the safety performance tests such as penetration and overcharging, and their performance is at an industry-leading level. This battery has advantages like long lifespan, fast charging speed and high safety, and can be used in high-speed electric motorcycles and low-altitude aircraft. This year, the Group launched solid-state battery products suitable for high-performance electric motorcycles, which utilize a self-developed solidification technology and combine various types of composite anode and cathode materials for the batteries to achieve high energy density and stable circulation. In addition, the Group is actively advancing the commercialization of solid-state battery applications in emerging fields such as inorganic machines and robotics through customised solutions and collaborative development models to achieve order breakthroughs.

## ***Hydrogen fuel cells***

On 18 March 2024, the “Guiding Opinions on Energy Work in 2024” (2024年能源工作指導意見) issued by the National Energy Administration emphasized the need to formulate policies to foster the high quality development of hydrogen energy industry, promote technological innovation and industry growth, launch pilot demonstrations of hydrogen energy, focus on the development of renewable energy for hydrogen production and broaden application scenarios. On 8 November 2024, the Energy Law of the PRC (中華人民共和國能源法) incorporated hydrogen energy into the energy management system for the first time. This not only further promotes the transformation and upgrade of the energy industry, but also places a strong foundation for the future development of hydrogen energy.

The Group actively responded to the national call and dedicated itself to establish closed-loop application scenarios of the hydrogen energy industry and accelerate the realization of the “Dual Carbon” targets. Tianneng has mastered key technologies such as system, stacks, bipolar plates, membrane electrodes and key materials, and introduced new innovations in technology R&D. Throughout the year, the Group applied for 50 patents, including 30 patents for inventions and participated in the formulation of 7 industry standards, achieving prominent technological results. Membrane electrode products have been successfully applied to scenarios such as construction machinery and power stations, marking a significant step towards the industrialization of core components following system products. Two self-developed hydrogen fuel battery systems and one graphite plate stack are ready for vehicle installation. In this year, the Group’s hydrogen fuel battery system was successfully delivered to the city bus and loader clients in Changxing County, Zhejiang Province and Shuyang City, Jiangsu Province and other places, making a positive contribution to local zero-carbon transportation and urban carbon reduction.

Tianneng attained significant results in terms of technological R&D and market application in the hydrogen energy field. During the Reporting Period, Tianneng’s hydrogen fuel cells received the “National Work Safety Standardization Certificate Level 3 Certification” and “IATF16949 Quality Management Certificate”. Owing to its groundbreaking achievements in the hydrogen energy field, Tianneng was awarded the “Annual Best Innovation Project Award for Achieving Dual-Carbon Goals” (踐行雙碳目標年度最佳創新項目獎) at the China Energy Development and Innovation Forum. Also, the Group’s hydrogen fuel cell system was shortlisted into the Zhejiang Province Outstanding Industrial New Products (New Technology) List 2024” (浙江省優秀工業新產品(新技術)名單) and nominated for the “Zhejiang Province Science and Technology Award” (浙江省科學技術獎).

## ***Sodium-ion batteries***

As an emerging battery technology, sodium-ion batteries are still at an improvement stage in terms of development and application verification. However, the advantages of low-temperature performance and fast charging capacity provided by their characteristics, combined with resource advantages like abundant sodium reserve and low cost, have made these batteries an essential cornerstone for stabilizing battery supply and with significant market potential. In November 2024, the “Action Plan for the High-Quality Development of New Energy Storage Manufacturing Industry (Draft for Opinion)” (新型儲能製造業高品質發展行動方案(徵求意見稿)) issued by the Ministry of Industry and Information Technology of China proposed to continuously enhance the supply capacity of high-safety, high-reliability, high-efficiency, long-life and economically feasible new ESS products, and to promote engineering and application technology research of sodium batteries and flow batteries, thereby pointing the direction for the high quality development of the sodium-ion battery industry.

Tianneng has demonstrated technological innovations and industrial breakthroughs in the field of sodium-ion batteries. By targeting the small power and ESS sectors, the Group successfully developed a high-performance layered sodium oxide soft pack battery. Furthermore, Tianneng also successfully launched the first generation of polyanionic sodium ESS cells with high energy density and a laboratory-tested cycle life of more than 10,000 times, enriching Tianneng’s product reserve in the ESS sector and providing the market with new options.

Tianneng’s sodium-ion batteries have demonstrated significant results in terms of brand promotion and main business empowerment. The “High Safety, Low-Cost Sodium-ion ESS Battery R&D” (「高安全、低成本鈉離子儲能電池研發」) project was successfully selected for the 2025 “Vanguard” (「尖兵」) technology research initiative of Zhejiang Province, which creates a strong basis for the Company’s sodium-ion batteries to have competitive advantages in ESS scenarios in the future. The sodium battery technology team of Tianneng delivered their report on the China International Battery Fair (CIBF) and various industry summits and showcased the cutting-edge progress and new product achievements of Tianneng’s sodium batteries. The team also assisted in the product launch of Tenna (天鈉) T2 (motive battery for two-wheeled vehicle) and Sodium Storage (鈉儲) No. 1 (NFPP polyanionic sodium ESS battery cell) and received multiple honors, thereby greatly enhancing the market value of the brand.

### **(3) Recycling industry**

The Group focuses on the battery industry and is committed to building a battery recycling closed-loop industry chain integrating production, recycling, smelting and reproduction. Two recycling economy ecosystems of lead-acid batteries and Li-ion batteries have been deployed so as to implement the extended producer responsibility system.

#### ***Recycling lead-acid batteries***

As one of the world's largest lead-acid battery manufacturers and lead recycling companies, the Group is the first to implement full life cycle management of batteries in the industry. During the Reporting Period, the Group's lead-acid battery recycling business recorded an external operating income of RMB2,148 million.

The Group has accumulated over 15 years of experience in the lead-acid battery recycling sector and obtained qualifications of recycling pilots in 15 provinces across China. It has set up battery recycling pilot companies in multiple provinces and cities. Using the nationwide marketing network, the Group has constructed a recycling network for waste batteries and established a standardised and effective recycling system. Tianneng constructed four green circular economy industrial parks in Zhejiang, Anhui, Jiangsu, and Henan Province, with the annual capacity of disposing of 1.2 million tonnes of waste lead-acid batteries and a recycling rate of more than 99% for all materials.

Tianneng achieved multiple innovations in the recycling, disposal and technology of lead-acid battery. It established a collaboration platform for lead resources that effectively connects the three major sectors of recycling, disposal and trade, injecting strong momentum to every sector of the lead-acid battery recycling business. In terms of recycling, the Group established an innovative recycling model in the operation centers across the country, which improved recycling capabilities, expanded the coverage of its recycling channels and improved the transparency and efficiency of the recycling process through a digital management system. In terms of disposal, the Group set up operations and management centers and utilize technological means such as big data analysis to integrate internal resources and optimize management capability and cost control, thereby increasing production quality and production efficiency. In terms of technology, Tianneng has achieved a significant increase in production and reduction in costs of the side-blown furnace with innovative materials. Furthermore, the pioneered refining lead and tellurium removal technology has effectively promoted the R&D of high-performance lead-based alloy.

During the Reporting Period, the Group’s waste lead-acid battery recycling project undertaken by the circular economy industrial park in Changxing County, Huzhou City, Zhejiang Province, received the honorary title of the first “National Circular Economy Standardization Demonstration Project” (國家循環經濟標準化示範項目) in Zhejiang Province. This project, by transforming a typical model into a national standard, has provided guidance for industry promotion and development. Moreover, the Economy and Information Technology Department of Zhejiang Province issued a “Notice on Publishing the List of Upstream and Downstream Joint Ventures across the Industrial Chain in Zhejiang Province” (關於公佈浙江省產業鏈上下游企業共同體名單的通知) during the Reporting Period, in which a joint venture in respect of the motive resource recycling led by Zhejiang Tianneng Power Supply Material Co., Ltd. (浙江天能電源材料有限公司), a subsidiary of the Group, has been successfully selected.

### ***Recycling Li-ion batteries***

The Group’s Li-ion battery recycling business is mainly from motive batteries, consumer batteries and ESS batteries. The main outputs are cobalt sulfate, nickel sulfate, manganese sulfate and lithium carbonate. During the Reporting Period, the Group’s Li-ion battery recycling business recorded an operating income of approximately RMB573 million.

In February 2024, General Office of the State Council of China issued the “Opinions on Accelerating the Construction of a Waste Recycling System” (關於加快構建廢棄物循環利用體系的意見), which promotes technological innovation in the industry and standardized development of the market by improving the standard system and strengthening supervision. In March 2024, the National Development and Reform Commission issued the “Measures for the Specialized Management of Investments in Energy Saving and Carbon Reduction within the Central Budget” (節能降碳中央預算內投資專項管理辦法), which instructed the governments at all levels to provide support to the circular economy of the new energy Li-ion battery recycling sector. As one of the leading enterprises in the Li-ion battery recycling business, Tianneng possesses advanced technologies and a sophisticated management system. Adhering to China’s development concept of energy conservation and carbon reduction, Tianneng contributes itself to the development of China’s circular economy.

During the Reporting Period, the Group achieved major breakthroughs in the sector of technology. The Group constructed a complete technical system for capacity testing, crushing and sorting, pyrolysis enrichment of cathode materials, deep reduction, effective separation and high-value utilization for material. Such technical system greatly boosted the recycling rate of high-value metals, making the recycling rate of cobalt, nickel, and manganese reach over 98.5%. The Group's new production capacity located in Binhai County, Jiangsu Province, has applied innovative technologies in various technical aspects, including intelligent sorting technology for safe disassembly without discharge, directional pyrolysis for disassembled materials, co-processing technology for Ternary Lithium Battery ("NCM") & Lithium Iron Phosphate ("LFP") and cryogenic lithium extraction technology. Among them, the "Key Technology and Application for High-Value Recycling and Clean Utilization of Retired NCM Batteries" (退役三元動力電池高值化循環清潔利用關鍵技術及應用) was awarded the third prize of Science and Technology Progress Award of Zhejiang Province.

The Group has developed the capacity to dispose and recycle more than 70,000 tonnes of waste Li-ion batteries annually. During the Reporting Period, construction of the 60,000-ton of NCM Li-ion batteries annual disposal capacity in the base located in Binhai County, Jiangsu Province has been completed and gradually put into production. Meanwhile, the Group has also built an annual disposal capacity of 3,000 tonnes for waste LFP batteries at the base in Binhai County, which can produce battery-grade lithium carbonate and iron phosphate. The experimental results of the hydrometallurgy method for lithium iron phosphate have demonstrated reliable recovery rates and stability. The new production lines fully utilize intelligent control, the stability of manufacturing equipment are continuously improving, resulting in a significant increase in production capacity.

In terms of recycling, the Group created a closed-loop ecology that encompasses battery manufacturing, sales, recycling, echelon utilization, and reuse, creating a three-dimensional Li-ion battery recycling network which is covered across China, and achieving large-scale systematic operations through the in-depth network channels in various regions. At present, the Group has signed cooperation agreements with multiple new energy vehicle enterprises for the targeted recycling of retired batteries and formed strategic cooperations with dozens of vehicle dismantling plants, 4S store clusters and insurance companies to lock in the residual value of batteries in advance and promote the echelon utilization and recycling of batteries.



## OUTLOOK

Looking forward, the Group will continue to uphold the philosophy of innovation driven and sustainable development and strive to become a global leading green energy enterprise. We will focus our efforts on promoting technological innovations and industrial upgrade, actively exploring the applications of new technologies, accelerating the construction of an intelligent energy ecosystem and improving the closed-loop green industrial system for the entire life cycle of “lead and lithium”, so as to contribute to achieve the global “Dual Carbon” goals.

In terms of technological innovation, Tianneng will concentrate on the breakthroughs and applications of new energy technologies. In the future, Tianneng will deepen technological research on the sectors of lead-acid batteries, Li-ion batteries, hydrogen fuel cells, sodium-ion batteries, solid-state batteries, increase battery performance and reduce production cost. Meanwhile, Tianneng will actively promote upgrades in battery recycling technology to achieve efficient reuse of resources and create a complete closed loop of the battery industry.

In terms of manufacturing, Tianneng will continue to implement green and intelligent manufacturing, increase production efficiency and reduce carbon emissions. By promoting the construction of intelligent factories and digital management system, Tianneng will achieve data monitoring and optimization of the entire manufacturing process and create a green, efficient and sustainable manufacturing model. At the same time, Tianneng will deeply engage in the construction of new energy industrial zones to promote the development of a green economy and achieve the unity of economic, social and environmental benefits.

In terms of market expansion, Tianneng will actively expand into domestic and foreign markets, and enhance brand recognition. In the future, Tianneng will deepen strategic cooperations with reputable domestic and foreign enterprises to create mutual benefits in the market. Also, Tianneng will further strengthen its international layout to enhance the Company’s international competitiveness.

In the face of new challenges and opportunities, the Group will move towards a new stage of globalization and high-quality development at a firm pace. We will focus on technological innovation and industrial upgrade, deeply exploring the potential of our main business. Simultaneously, we will actively expand new scenarios and markets. It is our firm belief that Tianneng will maintain a leading position in the fiercely competitive industry environment. In the meantime, the Group will continue to optimize its operation model and resources allocation to scale up operating efficiency and profitability in general. We are determined to create sustainable long-term value through stable business growth and strategic implementation and achieve steady growth in shareholders’ returns.

## MANAGEMENT ANALYSIS

### Gross profit

The Group's gross profit decreased by approximately 17.64% to approximately RMB4,912 million in 2024 from approximately RMB5,965 million in 2023, mainly due to the decrease in gross profit of the Lead-acid and Li-ion battery business. The overall gross profit margin decreased by approximately 0.70 percentage points to approximately 6.41% in 2024 from approximately 7.11% in 2023. Among them, the gross profit margin of the manufacturing business was approximately 11.33% in 2024, representing a decrease of approximately 1.42 percentage points as compared to 2023.

### Other income

Other income of the Group increased by approximately 10.73% from approximately RMB1,897 million in 2023 to approximately RMB2,101 million in 2024. The increase was mainly attributable to the increase in government grants. Government grants increased from approximately RMB1,219 million in 2023 to approximately RMB1,476 million in 2024. The increase was mainly attributable to the extra deduction of VAT input and increase in tax refunds received. Interest income decreased from approximately RMB568 million in 2023 to approximately RMB485 million in 2024. The decrease was mainly attributable to the decrease in interest rate of deposit.

### Distribution and selling expenses

Distribution and selling expenses of the Group decreased by approximately 9.19% from approximately RMB1,424 million in 2023 to approximately RMB1,293 million in 2024. The decrease in selling and distribution costs was mainly due to the decrease in transportation fees and staff remuneration.

### Administrative expenses

Administrative expenses decreased by approximately 6.33% from approximately RMB1,357 million in 2023 to approximately RMB1,271 million in 2024. Such decrease was mainly due to the decrease in staff remuneration and office expenses.

### Finance costs

Finance costs increased by approximately 13.20% from approximately RMB483 million in 2023 to approximately RMB547 million in 2024, which was mainly due to the increase in loan size during the Reporting Period.

### Taxation

Income tax charges of the Group decreased by approximately 18.37% from approximately RMB728 million in 2023 to approximately RMB594 million in 2024, which was mainly due to the decrease in taxable profit during the Reporting Period.



## LIQUIDITY AND FINANCIAL RESOURCES

The net cash from operating activities for the Reporting Period was approximately RMB549 million (2023: approximately RMB2,330 million). The decrease was mainly attributable to increase in inventories of the Group.

As at 31 December 2024, the cash and cash equivalents and pledged/restricted bank deposits of the Group was approximately RMB21,410 million (31 December 2023: approximately RMB15,435 million). As at 31 December 2024, the Group obtained undrawn banks facilities of approximately RMB19,645 million (31 December 2023: approximately RMB21,756 million). In cash and cash equivalents and pledged/restricted bank deposits, approximately RMB21,264 million, RMB8 million, RMB129 million, RMB9 million, RMB10,000 and RMB51,000 were denominated in Renminbi, Hong Kong Dollars, US Dollars, VND, Euros and Singapore dollars, respectively. As the bank balances of currencies other than RMB accounted for approximately 0.68% of the total balances, the Group's relevant exchange risk is low.

As at 31 December 2024, the net current assets of the Group were approximately RMB3,945 million (31 December 2023: net current assets of approximately RMB6,054 million). The decrease was primarily attributable to the increase in borrowings. As at 31 December 2024, the interest bearing loans of the Group with maturity of within one year amounted to approximately RMB12,726 million (31 December 2023: approximately RMB6,248 million). The interest-bearing loans of the Group with maturity of more than one year amounted to approximately RMB5,823 million (31 December 2023: approximately RMB2,833 million). Loans were amounted to approximately RMB18,549 million (31 December 2023: approximately RMB8,255 million). The interest-bearing loans carried fixed and variable interest rates ranging from approximately 2.22% to approximately 5.5% (2023: approximately 2.5% to approximately 5.85%) per annum. As at 31 December 2024, the Group had no loans denominated in U.S. dollar and Hong Kong dollar (31 December 2023: approximately RMB826 million).

The objective of the Company's financial policy is to maintain healthy capital structure to minimize the capital cost through prudent financial management. During the Reporting Period, the Group continued to further make use of long-term loans in order to optimize its loan structure.

## FINANCIAL POSITION

### Assets

As at 31 December 2024, the total assets of the Group were approximately RMB55,281 million, representing an increase of approximately 18.24% as compared to approximately RMB46,751 million as at 31 December 2023. Among them, non-current assets increased by approximately 26.72% to approximately RMB22,063 million and current assets increased by approximately 13.22% to approximately RMB33,218 million. The major reason for the increase of non-current assets was due to the capital expenditure on production plants and equipment upgrade. The increase in current assets was mainly attributable to the increase in inventories and financial assets at fair value through profit or loss.

### Liabilities

As at 31 December 2024, the total liabilities of the Group were approximately RMB36,372 million, representing an increase of approximately 28.49% as compared to approximately RMB28,306 million as at 31 December 2023. Among them, non-current liabilities increased by approximately 41.41% to approximately RMB7,099 million, mainly due to the increase in long-term interest-bearing borrowings; current liabilities increased by approximately 25.71% to approximately RMB29,272 million, mainly due to the increase in bills payable and short-term borrowings.

## ANALYSIS BY KEY FINANCIAL KPIS

### Profitability:

	2024	2023
Return on equity	<b>6.95%</b>	10.31%
Gross profit margin	<b>6.41%</b>	7.11%
– Sales of batteries and battery related sales	<b>11.33%</b>	12.75%
– Trading	<b>-0.07%</b>	-0.21%
Net profit margin	<b>1.69%</b>	2.19%

Due to the decline in gross profit margin of Li-ion batteries in 2024, the overall gross profit margin has declined compared to 2023.

### Liquidity:

	2024	2023
Current ratio	<b>1.13</b>	1.26
Quick ratio	<b>0.85</b>	0.97

Both the ratios above in 2024 decreased when compared with those in 2023, mainly due to increment of current assets lower than to that of the current liabilities.

**Operating Cycle:**

	2024	2023
Inventory turnover days	38	32
Account receivables turnover days	8	7
Account payables turnover days	12	12
Bills and account receivables turnover days	19	18
Bills and account payables turnover days	45	41

The inventory turnover days increased by 6 days to 38 days in 2024 due to the increase in production capacity and inventory in 2024. Account receivables turnover days increased by 1 day from 2023 to 8 days in 2024 due to the increase in the proportion of primary customers with long credit terms. The accounts payable turnover days in 2024 remained the same as 2023. The increase in bills receivables and accounts receivable turnover days by 1 day to 19 days was mainly due to the increase in bills receivables. The bills payable and accounts payable turnover days increased by 4 days to 45 days primarily due to the higher proportion of payments made using notes by the Company.

**Capital:**

	2024	2023
Net debt ratio	-22.46%	-2.03%
Interest coverage ratio ( <i>note</i> )	6.50	8.11

*Note:* EBITDA divided by total interest expenses.

As the interest-bearing debt (“**Debt**”) and the cash and bank balance as at 31 December 2024 were approximately RMB18,549 million and approximately RMB21,410 million, respectively, the net debt was approximately RMB-2,861 million. There was adequate total capital during the Reporting Period. The interest coverage ratio is 6.50 times, and the ability to make interest payments still remain strong.

**Return of Shareholders:**

	2024	2023
Earning per share (Basic) ( <i>RMB</i> )	1.01	1.62
Dividend per share (HK cents/share)	17	43

*Note:* representing the dividend proposed by the Company’s board of directors (the “**Board**”) for 2024, which is subject to approval at the forthcoming annual general meeting.

## **CAPITAL EXPENDITURE**

The capital expenditure in 2024 was approximately RMB2,503 million (2023: approximately RMB3,722 million). A majority of the expenditure was incurred in the lithium-ion battery segments, lead-carbon ESS construction, lead-acid intelligent manufacturing and enhancement segments, and construction investment in the forthcoming recycling segments.

## **CAPITAL COMMITMENTS**

The amount contracted for but not stated in the consolidated financial statements in respect of the acquisition of property, plant and equipment as at 31 December 2024 was approximately RMB1,592 million (31 December 2023: approximately RMB2,753 million).

## **GEARING RATIO**

The Group's gearing ratio (which is based on the amount of total interest-bearing loans divided by total assets multiplied by 100%) as at 31 December 2024 was approximately 33.55% (31 December 2023: approximately 19.42%).

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

As the Group's operations were mainly conducted in China and the majority of businesses were transacted in Renminbi, the Group has set up policies to strike a balance between uncertainty and the risk of opportunity loss due to the growing significance of its exposures to fluctuations in foreign currencies. Foreign currency forward contracts can be used to eliminate the currency exposures. During the Reporting Period, the Group has entered into certain foreign currency forward contracts and closely monitored the movement of foreign currency rates. The Board is of the view that the Company's operating cash flow and liquidity are not subject to significant foreign exchange rate risk.

## **CONTINGENT LIABILITIES**

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

## **PLEDGE OF ASSETS**

As at 31 December 2024, the bank facilities of the Group were secured by bank deposits, bills receivables, property, plant and equipment and prepaid lease payments. The aggregate net book value of the assets pledged amounted to approximately RMB14,039 million (31 December 2023: approximately RMB7,932 million).

## EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed a total of 20,676 employees (31 December 2023: 25,776 employees). Staff costs excluding directors' emoluments of the Group for the Reporting Period amounted to approximately RMB2,906 million (2023: approximately RMB3,280 million). The costs included basic salaries and benefits as well as staff benefits such as discretionary bonus, medical and insurance plans, pension scheme (including the schemes under the statutory requirement of the government such as pension insurance in China and mandatory provident fund in Hong Kong), unemployment insurance plans and share option scheme, etc. Competitive remuneration packages were offered to the employees. The Company has adopted incentive programs (including share option scheme) to encourage employee performance and provided a range of training programs for the development of its staff.

## SIGNIFICANT INVESTMENTS HELD

There were no other significant investments held by the Group as at 31 December 2024.

## MATERIAL ACQUISITION AND DISPOSAL

On 5 May 2023, a Capital Increase Agreement and a Shareholder Agreement were entered into by Zhejiang Tianneng New Materials Co., Ltd. 浙江天能新材料有限公司 (“**Tianneng New Materials**”, an indirect non-wholly owned subsidiary of the Company), 15 outside investors who are independent third parties and 3 investors who are controlled by the Company (collectively, the “**Investors**”), Tianneng Holding Group Co., Ltd. 天能控股集團有限公司 (“**Tianneng Holding**”, an indirect wholly-owned subsidiary of the Company), Zhejiang Tianneng Commercial Management Co., Ltd. 浙江天能商業管理有限公司 (“**Tianneng Commercial**”, an indirect wholly-owned subsidiary of the Company) and Tianchang Holding Co., Ltd. 天暢控股有限公司. Pursuant to the Capital Increase Agreement, the Investors agreed to subscribe for the new registered capital of Tianneng New Materials in the amount of RMB39,216,000 (representing approximately 28.57% of the registered capital of Tianneng New Materials as enlarged by the capital increase) with a cash consideration of RMB1,000,000,000. Tianneng New Materials has received all the cash consideration in September 2023.

## **Deemed Acquisition of Interests in a Connected Subsidiary**

Since 2023, significant changes in the macroeconomic environment and industry dynamics, coupled with fluctuations in product and raw material prices, have materially impacted the original qualified listing plan of Tianneng New Material. In light of these developments and to ensure the long-term sustainable growth of Tianneng New Materials, the Company has decided, after thorough evaluation and deliberation, to abandon the arrangement for achieving a qualified listing by 31 December 2026. The investors have exercised their Put Option to sell their entire equity interests in Tianneng New Material, representing approximately 28.57% of the registered capital of Tianneng New Material in aggregate.

The acquisition of the Investors' interest in Tianneng New Material (the “**Acquisition**”) was carried out by Tianneng Holding in accordance with the terms and conditions in relation to the Put Option as stipulated in the Shareholders Agreement (except for adjustments to the completion timeline and procedures mutually agreed by the parties), including the acquisition price to be paid to each Investor, which shall be the respective part of the total subscription price paid by the relevant Investors, plus interest calculated at an annualized rate of 8% (simple interest) on such total subscription price, accrued during the period the Investor hold the equity interests in Tianneng New Material (from the date of payment of the relevant part of the total subscription price to the date of payment of the acquisition price), minus the cash dividends received by that the Investors over the years.

As of the 26 December 2024, Tianneng Holding has acquired the entire equity interests in Tianneng New Materials previously held by the Investors, representing approximately 28.57% of the registered capital of Tianneng New Materials. The total acquisition price of RMB1,072,302,000 was determined in accordance with the terms and conditions related to the Put Option as set out in the Shareholders Agreement. Following the completion of the Acquisition and the relevant changes in business registration on 26 December 2024, Tianneng New Material continues to be a non-wholly-owned subsidiary of the Company and is owned as to 65%, 10% and 25% by Tianneng Holding, Tianneng Commercial and Tianchang Holding, respectively. The financial results of Tianneng New Materials will continue to be consolidated in the consolidated financial statements of the Company. For details, please refer to the announcements of the Company dated 29 October 2024 and 27 December 2024.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Many economic experts closely monitor whether the global and Chinese economy growth will slow down in the coming years. The Group's traditional business such as the sale of e-bike battery may be under uncertainties if the consumer market downturn exists. It is the reason that the Group started industry chain transformation and upgrade a few years ago, aiming to diversify the risk of over reliance on any single business segment.

In the past few years, labour cost in China continuously increased and the production-oriented entities in China were facing increasing pressure of higher production cost. The Group will make use of more resources in establishing production automation system in order to reduce manpower needed per production unit. At the same time, the employee incentive scheme will be used as the other way to improve manpower efficiency.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **Future Development**

For the Group's future plans and development, please refer to the paragraph headed "Outlook" in the "Management Discussion and Analysis" section of this announcement.

## **PROPOSED FINAL DIVIDEND**

The Board has proposed the payment of a final dividend of HK\$17 cents per share (2023: HK\$43 cents per share). The financial statements do not reflect the dividend payable. The proposed final dividend is subject to approval by the Company's shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 16 May 2025. If the resolution for the proposed final dividend is passed at the annual general meeting, the proposed final dividend is expected to be paid on or before Friday, 13 June 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 13 May 2025 to Friday, 16 May 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered and the record date for the annual general meeting of the Company of this year will be Friday, 16 May 2025. In order to qualify for attending the annual general meeting of the Company of this year, all share certificates, together with duly completed transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 12 May 2025.

Further, the register of members of the Company will be closed from Friday, 23 May 2025 to Monday, 26 May 2025 (both days inclusive), during which period no transfer of the shares of the Company will be registered and the record date will be Monday, 26 May 2025. In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong 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 Thursday, 22 May 2025. Subject to the approval of the shareholders at the annual general meeting of the Company to be held on Friday, 16 May 2025, the proposed final dividend is expected to be paid on or before Friday, 13 June 2025.



## AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Huang Dongliang (Chairman), Mr. Zhang Yong and Mr. Xiao Gang.

The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The Audit Committee has reviewed the annual results of the Group for the Reporting Period.

## CORPORATE GOVERNANCE CODE

The Company has adopted and met the code provisions in Part 2 of the Corporate Governance Code (the “**Code**”) as contained in Appendix C1 to the Listing Rules that is applicable to the corporate governance report for the Reporting Period, except for the code provision C.2.1 in Part 2 of the Code as set out below.

Dr. Zhang Tianren is both the chairman and CEO of the Company who is responsible for managing the Group’s business. The Board considers that vesting the roles of chairman and CEO in the same person facilitates the execution of the Company’s business strategies and maximizes the effectiveness of its operation. With the present Board structure and scope of business, the Board considers that there is no imminent need to separate the roles into two individuals. However, the Board will continue to review the effectiveness of the Group’s corporate governance structure to assess whether the separation of the position of the chairman and CEO is necessary.

## SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.



## COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry, all directors of the Company confirmed that they have complied with the required standards as set out in the Model Code throughout the Reporting Period.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at Conference Room, 3/F, Tianneng Group Building, Huaxi Industrial Function Zone, Changxing County, Zhejiang Province, the PRC on Friday, 16 May 2025 at 2:00 p.m.. Notice of annual general meeting will be published on the Company’s website at [www.tianneng.com.hk](http://www.tianneng.com.hk) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and despatched to the Shareholders as soon as practicable.

## PUBLICATION

This announcement will be published on the website of the Company at [www.tianneng.com.hk](http://www.tianneng.com.hk) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The annual report containing all the information as required by Appendix D2 to the Listing Rules will be published on the Company’s website at [www.tianneng.com.hk](http://www.tianneng.com.hk) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as soon as practicable.

By Order of the Board  
**TIANNENG POWER INTERNATIONAL LIMITED**  
**ZHANG Tianren**  
*Chairman*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive directors of the Company are Dr. ZHANG Tianren, Mr. ZHANG Aogen, Mr. ZHANG Kaihong, Mr. SHI Borong and Mr. ZHOU Jianzhong; and the independent non-executive directors of the Company are Mr. HUANG Dongliang, Mr. ZHANG Yong, Mr. XIAO Gang and Dr. GUO Yuantao.*