Tiande Chemical Holdings Limited
天德化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 609)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 was approximately RMB932.3 million, representing a decrease of 5.6% as compared with that of the corresponding period last year.
- Gross profit decreased by 19.0% to approximately RMB116.7 million.
- Gross profit margin also decreased to 12.5%, representing a decrease of 2.1 percentage points as compared with that of the corresponding period last year.
- Profit for the period attributable to owners of the Company decreased to approximately RMB35.2 million (six months ended 30 June 2024: RMB42.4 million).
- Basic earnings per share was approximately RMB0.040 (six months ended 30 June 2024: RMB0.049).
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$0.02).

The board (the "**Board**") of directors (the "**Directors**") of Tiande Chemical Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024 and the selected notes as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2025	2024
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	**932,301**	987,765
Cost of sales		**(815,625)**	(843,681)
Gross profit		**116,676**	144,084
Other income and gains		**18,100**	18,166
Selling expenses		**(40,747)**	(36,327)
Administrative and other operating expenses		**(52,197)**	(83,289)
Finance costs	5	**(6,395)**	(638)
Profit before income tax	6	**35,437**	41,996
Income tax expense	7	**(16,206)**	(8,146)
Profit for the period		**19,231**	33,850
Profit / (loss) for the period attributable to :			
Owners of the Company		**35,154**	42,357
Non-controlling interests		**(15,923)**	(8,507)
		19,231	33,850
Earnings per share for profit attributable to owners of the Company for the period	9		
– Basic		**RMB0.040**	RMB0.049
– Diluted		**RMB0.040**	RMB0.049

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	**19,231**	33,850
Other comprehensive income		
Item that will not be reclassified to the income statement:		
– Currency translation differences	**(6,175)**	737
Other comprehensive income for the period	**(6,175)**	737
Total comprehensive income for the period	**13,056**	34,587
Total comprehensive income attributable to:		
Owners of the Company	**28,803**	43,242
Non-controlling interests	**(15,747)**	(8,655)
	13,056	34,587

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**1,522,747**	1,517,666
Right-of-use assets		**80,752**	82,039
Investment properties		**18,000**	18,000
Intangible asset		**4,057**	4,959
Deposits paid for acquisition of property, plant and equipment		**31,428**	31,405
Deferred tax assets		**5,130**	5,176
		1,662,114	1,659,245
Current assets			
Inventories		**155,512**	151,519
Trade and bills receivable	10	**461,932**	377,774
Prepayments and other receivables		**53,220**	43,063
Pledged bank deposit		**1,278**	1,278
Time deposits		**215,006**	493,340
Bank and cash balances		**633,913**	358,214
		1,520,861	1,425,188
Current liabilities			
Trade payables	11	**40,755**	37,901
Accruals and other payables		**240,084**	238,471
Contract liabilities		**7,021**	8,767
Bank borrowings		**354,191**	220,134
Advances from a non-controlling shareholder		**5,784**	5,961
Current tax liabilities		**5,771**	13,273
		653,606	524,507
Net current assets		**867,255**	900,681
Total assets less current liabilities		**2,529,369**	2,559,926
Non-current liabilities			
Deferred tax liabilities		**24,778**	45,002
		24,778	45,002
NET ASSETS		**2,504,591**	2,514,924
EQUITY			
Share capital		**8,069**	8,060
Reserves		**2,417,448**	2,412,043
Equity attributable to owners of the Company		**2,425,517**	2,420,103
Non-controlling interests		**79,074**	94,821
Total equity		**2,504,591**	2,514,924

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal activity of the Company is investment holding. The principal activities of the Group are research and development, manufacture and sale of fine chemical products.

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 (the "**Unaudited Condensed Financial Information**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Unaudited Condensed Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024 (the "**2024 Annual Financial Statements**").

The Unaudited Condensed Financial Information has been prepared in accordance with the same accounting policies adopted in the 2024 Annual Financial Statements, except for the adoption of the amendments to HKFRS Accounting Standards, which are effective for the Group's financial year beginning on 1 January 2025.

The functional currency of the Company is Hong Kong Dollars ("**HK$**"). The Unaudited Condensed Financial Information is presented in Renminbi ("**RMB**") because the main operations of the Group are located in the People's Republic of China (the "**PRC**"). All values are rounded to the nearest thousand except when otherwise stated.

The Unaudited Condensed Financial Information is unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA.

3. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following amended HKFRS Accounting Standards issued by the HKICPA, which are relevant or effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

Amendments to HKAS 21 and HKFRS 1 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking.

The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's interim condensed consolidated financial statements.

The following new or amendments to HKFRS Accounting Standards, potentially relevant to the Group's interim condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature – dependent Electricity[1]
Annual Improvements HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]

[1] Effective for annual periods beginning on or after 1 January 2026.
[2] Effective for annual periods beginning on or after 1 January 2027.
[3] Effective for annual periods to be determined.

Except for the HKFRS 18 stated below, these amendments would not have a significant impact on the Group's consolidated financial statements in subsequent years.

HKFRS 18 was issued by the HKICPA in July 2024 which supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision maker (i.e. executive Directors) of the Group has identified that the research and development, manufacture and sale of fine chemical products of the Group as a single operating segment. No other discrete financial information is provided other than the Group's result and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Revenue for sale of fine chemical products is recognised at point in time as when there is evidence that the control of goods has been transferred to the customer, the customer has adequate control over the goods and the Group has no unfulfilled obligations that affect customer accepting the goods.

The Group's disaggregated revenue from external customers are divided into the following geographical areas:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC (domicile)	**643,615**	708,475
India	**103,938**	124,289
United Arab Emirates	**41,891**	24,533
United States of America	**29,300**	16,375
Brasil	**21,459**	6,112
Others	**92,098**	107,981
	932,301	987,765

The geographical location of customers is based on the location at which the goods are delivered.

Information about major customer

There was no single customer that contributed to 10% or more of the Group's revenue for the period ended 30 June 2025 (six months ended 30 June 2024: Nil).

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings, which is repayable within one year and contain a repayment on demand clause	**2,701**	638
Interest on asset-backed financing	**391**	-
Interest on supplier finance arrangements	**3,202**	-
Interest on advances from a related party	**101**	-
	6,395	638

6. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before income tax is arrived at after charging/(crediting):		
Directors' remuneration		
– Fees	**290**	287
– Salaries, discretionary bonus and other benefits	**1,515**	1,676
– Retirement benefit scheme contributions (note (i))	**64**	61
	1,869	2,024
Other employee costs	**74,124**	87,187
Retirement benefit scheme contributions (note (i))	**7,693**	8,699
Total employee costs	**83,686**	97,910
Depreciation of right-of-use assets	**1,287**	1,287
Amortisation of intangible assets	**902**	902
Cost of inventories recognised as an expense (note (ii)), including:	**815,625**	843,681
- Write-down / (reversal) of inventories to net realisable value, net	**3,457**	(2,697)
Depreciation on property, plant and equipment	**90,487**	83,700
(Gain) / loss on disposal of property, plant and equipment, net	**(1,018)**	43
Provision of impairment losses on trade receivables	**1,484**	110
Reversal of impairment loss on other receivables	**-**	(277)
Loss on write-off of other receivables	**-**	144
Loss on write-off of property, plant and equipment	**2,353**	8
Lease payments in respect of short-term leases	**1,639**	1,934
Research costs (note (iii))	**22,669**	54,426

Notes:

(i) For the six months period ended 30 June 2025, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions (six months ended 30 June 2024: Nil). As at 30 June 2025, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the Mandatory Provident Fund Scheme and the central pension schemes operated by the local municipal government (31 December 2024: Nil).

(ii) Cost of inventories recognised as an expense includes RMB87,464,000 (six months ended 30 June 2024: RMB76,834,000) relating to depreciation expenses and RMB58,085,000 (six months ended 30 June 2024: RMB68,564,000) relating to employee costs. These amounts are also included in the respective total amounts disclosed separately above.

(iii) Research costs include RMB900,000 (six months ended 30 June 2024: RMB952,000) relating to depreciation expenses and RMB12,286,000 (six months ended 30 June 2024: RMB14,501,000) relating to employee costs. These amounts are also included in the respective total amounts disclosed separately above and included in the administrative and other operating expenses.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax - PRC Enterprise Income Tax		
- Tax for the period	**11,319**	9,167
- Over-provision in prior years	**(641)**	(1,172)
- PRC dividend withholding tax paid	**25,706**	970
	36,384	8,965
Deferred tax		
- Credited for the period	**(20,178)**	(819)
Income tax expense	**16,206**	8,146

The Company's subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax at the tax rate of 16.5% (six months ended 30 June 2024: 16.5%) on their estimate assessable profit for the six months period ended 30 June 2025. No provision for Hong Kong Profits Tax has been made as no assessable profit derived from Hong Kong for the period (six months ended 30 June 2024: Nil).

The Company's subsidiaries established in the PRC are subject to PRC Enterprise Income Tax at the rate of 25% for the period (six months ended 30 June 2024: 25%).

The Group has adopted 5% or 10% withholding tax rate for PRC withholding tax purpose for the period (six months ended 30 June 2024: 5% or 10%).

8. DIVIDENDS

The proposed 2024 final dividend of HK$0.03 (2023: HK$0.10) per share, totaling RMB24,218,000 (2023: RMB80,652,000) was approved by the Company's shareholders (the "**Shareholders**") at the annual general meeting held on 6 June 2025. It was recognised in "accruals and other payables" in the interim condensed consolidated statement of financial position and will be subsequently paid on 28 August 2025.

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$0.02).

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**35,154**	42,357

	Number of ordinary shares Six months ended 30 June	
	2025	2024
	'000 shares	'000 shares
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**877,462**	869,418
Effect of dilutive potential ordinary shares:		
- Share options	**44**	4,188
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**877,506**	873,606

10. TRADE AND BILLS RECEIVABLE

The Group allows a credit period normally ranging from one to six months (31 December 2024: one to six months) to its trade customers. Bills receivable are non-interest-bearing bank acceptance bills and are matured within six months (31 December 2024: within six months) from the end of reporting period. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management of the Group.

Ageing analysis of trade and bills receivable (net of loss allowance) at the reporting date, based on the invoice date, is stated as follows:

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0 to 90 days	**321,193**	275,588
91 to 180 days	**49,260**	87,238
181 to 365 days	**78,260**	14,753
Over 365 days	**13,219**	195
	461,932	377,774

The Directors considered that the fair values of trade and bills receivable are not materially different from their carrying amounts because these amounts have short maturity periods.

11. TRADE PAYABLES

The Group was granted by its suppliers with credit periods ranging from 30 to 270 days (31 December 2024: ranging from 30 to 270 days). Ageing analysis of trade payables at the reporting date, based on the invoice date, is stated as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 90 days	**35,600**	32,497
91 to 180 days	**851**	1,798
181 to 365 days	**1,666**	1,533
Over 365 days	**2,638**	2,073
	40,755	37,901

The carrying amounts of trade payables are short-term and hence the carrying amounts of trade payables are considered to be a reasonable approximation of fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the persistent macroeconomic headwinds and escalating international geopolitical tensions, coupled with the tariff policies implemented by the United States of America, dealt a severe blow to the manufacturing sector of the PRC and intensified the downward pressure on the broader economy of the PRC. These challenges indirectly led to a further deterioration in the domestic employment and a further contraction in consumer sentiment. Sluggish domestic demand continued to erode economic momentum of the PRC and increasingly highlighted structural overcapacity issues across multiple industries in the PRC. Consequently, the imbalance between market supply and demand triggered intense “involutionary” competition, subsequently fueling a deflationary spiral. Amidst such a tough business environment, the Group’s products, along with those across its upstream and downstream of the industrial chain to which the Group belongs, faced unprecedented downward pressures on prices. As a result, the selling prices of most products of the Group recorded a further decline as compared with those of the corresponding period last year.

In view of the ailing economy of the PRC, the Group strategically reoriented its marketing efforts and resources toward the development of overseas markets. By actively expanding its international marketing network, the Group achieved modest year-on-year growth in overseas sales during the period under review. Concurrently, the Group has expanded the production capacity for products with promising market potential, successfully pioneered new application fields in downstream industries, and broadened product usage across international markets. These strategic initiatives delivered tangible results, with revenue performance of the Group during the period under review reflecting the positive impact. Undoubtedly, the growth in overseas sales and expanded market applications helped to mitigate the adverse effects of declining selling prices of the Group’s products. As a result, the overall revenue of the Group recorded only a modest decrease as compared with that of the corresponding period last year.

Domestic deflation also contributed to a decline in the average cost of raw materials used by the Group. Moreover, the Group continuously reinforced the implementation of effective improvement measures in its internal operations, and further expanded the adoption of automated production processes to reduce labour costs and enhance production efficiency. Furthermore, the operation model of circular economy production system of the Group effectively improved resource recycling efficiency, helping to lower overall production costs. However, the cost savings generated from the aforementioned measures were insufficient to fully offset the negative impact of the decline in selling prices of the products. As a result, both the gross profit and gross margin of the Group during the period under review recorded decreases as compared with those of the corresponding period last year. Despite the fact that the Group has controlled various operating expenses effectively, the continued erosion in the selling prices of the products of the Group led to the inevitable decrease in the profit attributable to owners of the Company as compared with that of the corresponding period last year.

Outlook

Ongoing Sino-US trade tensions and the tariff policies implemented by the United States of America have exerted significant pressure on the economy of the PRC. The persistent economic slowdown and deepening deflation in the PRC are expected to continue imposing substantial operational challenges on the manufacturing sector of the PRC. While the PRC government has acknowledged the need to address “involutionary” competition, concrete policy measures are still under discussion, and their effectiveness remains uncertain. Amid this environment, industries across the PRC are facing intensified competitive dynamics, where only the most resilient and adaptable enterprises prevail. These operational pressures are expected to accelerate sector-wide optimisation and consolidation, ultimately positioning enterprises with strong competitive advantages to survive and embrace future business opportunities.

While the current impact of tariff policies of the United States of America on the Group’s product sales remains limited, future uncertainties persist. To mitigate potential risks associated with geographical concentration, the Group is proactively expanding its business activities and diversifying its business exposure. Concurrently, the Group is intensifying efforts to enhance operational agility, continuously refine its product portfolio, and actively pursue new revenue streams. Strengthening cash flow management and improving operational efficiency remain key priorities of the Group. Despite a challenging short-term business outlook, the Board remains confident in the long-term prospects of the Group. By leveraging its strong competitive business advantages and deep industry expertise, the Group is well-positioned to achieve much higher achievement of business development in the long-term and deliver enduring value to the Shareholders.

FINANCIAL REVIEW

Revenue and gross profit

Due to the ongoing economic downturn in the PRC, the Group experienced a sustained and notable decline in the overall selling prices of its products during the period under review. While the turnover from overseas markets showed modest growth despite challenging business conditions, the total turnover of the Group still decreased to approximately RMB932.3 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB987.8 million), representing a decrease of approximately RMB55.5 million or 5.6% as compared with that of the corresponding period last year.

Amid continued downward pressure on the PRC economy, the costs of raw materials also declined during the period. Furthermore, the Group implemented further automation initiatives to enhance labour efficiency and mitigate cost pressure, aiming for sustainable productivity improvements. However, the cost savings from lower costs of raw materials and improved operational efficiency were not sufficient to fully offset the negative impact of reduced selling prices of the products of the Group. As a result, the gross profit of the Group declined to approximately RMB116.7 million (six months ended 30 June 2024: RMB144.1 million), representing a decrease of approximately RMB27.4 million or 19.0% as compared with that of the corresponding period last year. The gross profit margin also contracted by 2.1 percentage points to 12.5% (six months ended 30 June 2024: 14.6%).

Operating expenses

Selling expenses increased by approximately RMB4.4 million from approximately RMB36.3 million of the corresponding period last year to approximately RMB40.7 million for the period under review. The increase was primarily attributable to the increase in domestic sales of hazardous products, which required enhanced transportation measures to comply with rigorous national safety regulations, resulting in increased transportation costs. The selling expenses to the Group's revenue ratio was 4.4% (six months ended 30 June 2024: 3.7%).

Administrative and other operating expenses for the period under review amounted to approximately RMB52.2 million (six months ended 30 June 2024: RMB83.3 million), representing a decrease of approximately RMB31.1 million or 37.3% as compared with those of the corresponding period last year. The decrease in administrative and other operating expenses was mainly attributable to the decrease in research and development expenses. The administrative and other operating expenses to the Group's revenue ratio was 5.6% (six months ended 30 June 2024: 8.4%).

Finance costs

Finance costs, representing interests on bank borrowings, asset-backed financing, supplier finance arrangements and advances from a related party, of approximately RMB6.4 million (six months ended 30 June 2024: interests on bank borrowings of RMB0.6 million) during the period under review, increased by approximately RMB5.8 million as compared with those of the corresponding period last year. Given that the return on bank savings deposits is higher than the borrowing costs offered by banks and a related party, the Group has strategically increased its use of bank borrowings, asset-backed financing, supplier financing arrangements and advances from a related party to optimise short-term liquidity management.

Profit for the period

In view of the aforesaid factors, the profit for the period under review attributable to owners of the Company amounted to approximately RMB35.2 million (six months ended 30 June 2024: RMB42.4 million).

Trade and bills receivable

As at 30 June 2025, trade receivables (net of loss allowance) increased to approximately RMB323.8 million, representing an increase of approximately RMB52.0 million or 19.1% as compared with approximately RMB271.8 million recorded as at 31 December 2024. About 60.7% of trade receivables were incurred in the second quarter of this year and most of them were not yet due, whilst 11.0% of trade receivables were incurred in the first quarter of this year and 28.3% of trade receivables were aging over 180 days. Up to the date of this announcement, over 47.5% of trade receivables have been settled after 30 June 2025. After assessing the creditworthiness of these customers, the Directors considered that no additional bad debt allowance was required on the trade receivables as at 30 June 2025.

As at 30 June 2025, bills receivable amounted to approximately RMB138.1 million, representing an increase of approximately RMB32.1 million or 30.3% as compared with the balance of approximately RMB106.0 million recorded as at 31 December 2024. Since all bills receivable are bank acceptance bills, which are non-interest-bearing and most of them have a maximum maturity period of six months, the payments of which were guaranteed by the reputable licensed banks in the PRC. Accordingly, the Directors considered that no allowance for doubtful debts was required because of the associated low default risk.

Short-term bank borrowings

All bank borrowings were raised in the PRC at fixed interest rates and are denominated in RMB. As at 30 June 2025, the total bank borrowings balance increased to approximately RMB354.2 million (31 December 2024: RMB220.1 million). The raising of bank borrowings was mainly used to finance the general working capital of the Group during the period under review.

Liquidity and financial resources

For the six months ended 30 June 2025, the Group's primary sources of funding included the net cash inflow generated from operating activities of approximately RMB50.3 million (six months ended 30 June 2024: RMB151.8 million), bank interest income received of approximately RMB15.1 million (six months ended 30 June 2024: RMB10.8 million), net proceeds from disposal of property, plant and equipment of approximately RMB1.0 million (six months ended 30 June 2024: RMB0.1 million), newly raised bank borrowings of approximately RMB118.6 million (six months ended 30 June 2024: RMB26.0 million), advances from a related party of RMB12.0 million (six months ended 30 June 2024: Nil), and proceeds from issue of Shares due to exercise of share options of approximately RMB0.8 million (six months ended 30 June 2024: Nil). With the financial resources generated from the Group's operations, the Group spent approximately RMB84.8 million (six months ended 30 June 2024: RMB104.0 million) on the acquisition of the property, plant and equipment, interest paid of approximately RMB6.4 million (six months ended 30 June 2024: RMB0.6 million), repayment of bank borrowings of approximate RMB91.0 million (six months ended 30 June 2024: Nil), and repayment of the amount of advances from a related party of RMB12.0 million (six months ended 30 June 2024: Nil).

Gearing ratio of the Group is calculated as total outstanding borrowings less cash and bank balances, time deposits and pledged bank deposits divided by total equity. As at 30 June 2025, the Group had bank and cash balances, time deposits and pledged bank deposits of approximately RMB850.2 million (31 December 2024: RMB852.8 million). The total amount of outstanding borrowings was approximately RMB359.8 million (31 December 2024: RMB225.9 million). The Group during the period under review kept a solid financial position and maintained a net cash balance (total cash and cash equivalent net of total borrowings) of approximately RMB490.4 million (31 December 2024: RMB626.9 million) as at 30 June 2025. As at 30 June 2024 and 2025, the Group's cash and cash equivalents were greater than the total outstanding borrowings, and therefore, the gearing ratio is not applicable. The net current assets amounted to approximately RMB867.3 million (31 December 2024: RMB900.7 million).

By virtue of the Group's financial position with cash inflow generated from the operating activities and available credit facilities from the banks, the Group is capable to fulfill its capital commitments and working capital requirements in the foreseeable future. Nevertheless, the Group will continue to closely and cautiously manage its working capital and dedicate itself to keeping a sound liquidity position to support future business expansion.

During the period under review, save as disclosed the Group did not use any other financial instruments for hedging purposes.

Pledge of assets

As at 30 June 2025, a bank deposit of approximately RMB0.3 million (31 December 2024: RMB0.3 million) was pledged to secure the water supply to the factories of the Company's subsidiaries; and a bank deposit of RMB1.0 million (31 December 2024: RMB1.0 million) was pledged to secure the execution of a foreign exchange forward contract. Furthermore, certain buildings and right-of-use assets of the Group of approximately RMB50.4 million (31 December 2024: RMB52.1 million) and RMB76.6 million (31 December 2024: RMB56.3 million) respectively were pledged to secure the Group's bank borrowings.

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

Exposure to fluctuations in exchange rates

The Group's operations are mainly in the PRC and its assets, liabilities, revenues and transactions are mainly denominated in RMB, United States dollars and Hong Kong dollars.

The Group's foremost exposure to the foreign exchange fluctuations was caused by the impact of RMB exchange rate movements during the period under review. Most of the Group's income and expenses are denominated in RMB except for export sales which were, in majority, denominated in United States dollars. However, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the period under review. Besides, the Group will consider adoption of cost efficient hedging methods in future foreign currency transactions as and when appropriate.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$0.02).

HUMAN RESOURCES

As at 30 June 2025, the Group had 1,213 full-time employees (31 December 2024: 1,358 full-time employees).

The Group has established its human resources policies and scheme with a view to deploying the incentives and rewards of the remuneration system which includes a wide range of training and personal development programs to the employees. The remuneration package offered to the employees was in line with their duties and the prevailing market terms. Staff benefits, including medical coverage and provident funds, have also been provided to the employees of the Group.

The employees would receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals of the Group. The Group also offered rewards or other incentives to its employees in order to motivate their personal growth and career development, such as ongoing opportunities for training to enhance their technical and products knowledge as well as their knowledge of industry quality standards. All new employees of the Group are required to attend an induction course and there are also various types of training courses available to all employees of the Group.

The Group has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. No share option of the Company has been granted during the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not during the six months ended 30 June 2025, in compliance with the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct with standards no less exact than those prescribed under the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules for securities transactions by Directors. Upon enquiry by the Company, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code and the Company's code of conduct regarding securities transactions by the Directors throughout the six months ended 30 June 2025.

The senior management, who, because of their offices in the Group, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code and the Company's code of conduct regarding securities transactions by Directors.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") is chaired by Mr. Liu Yang, an executive Director, with Mr. Leung Kam Wan and Mr. Liu Chenguang, who are the independent non-executive Directors, as the two other members. During the period under review, no meeting has been held by the Nomination Committee.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") is chaired by Mr. Liu Chenguang, an independent non-executive Director, with Mr. Leung Kam Wan, an independent non-executive Director, Ms. Shan Honghong, an independent non-executive Director, and Mr. Liu Yang, an executive Director, as the three other members. During the period under review, no meeting has been held by the Remuneration Committee.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely, Mr. Leung Kam Wan (chairman of the Audit Committee), Mr. Liu Chenguang and Ms. Shan Honghong. During the period under review, the Audit Committee had (i) reviewed the compliance of accounting principles and practices, the Listing Rules, internal controls and statutory requirements, and financial reporting matters adopted by the Company; (ii) reviewed the independence and objectivity of the independent auditor of the Company; (iii) reviewed with the independent auditor of the Company on the nature and scope of the audit and reporting obligations; and (iv) reviewed the independent auditor's management letter and made recommendations to the Board for improvement (if any). The Audit Committee has reviewed the Unaudited Condensed Financial Information and there was no disagreement on the accounting treatment adopted by the Company during the period under review.

EVENTS AFTER THE PERIOD UNDER REVIEW

Save as disclosed in this announcement, as of the date of this announcement, the Group had no other significant events subsequent to 30 June 2025.

By order of the Board
Tiande Chemical Holdings Limited
Liu Yang
Chairman

Hong Kong, 25 August 2025

As at the date of this announcement, the executive Directors are Mr. Liu Yang, Mr. Wang Zijiang and Mr. Chen Xiaohua; whilst the independent non-executive Directors are Mr. Leung Kam Wan, Mr. Liu Chenguang and Ms. Shan Honghong.