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Tsaker New Energy Tech Co., Limited
彩客新能源科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1986)

SUPPLEMENTAL ANNOUNCEMENT

**DISCLOSEABLE TRANSACTIONS IN RELATION TO DISPOSALS OF
EQUITY INTERESTS IN A SUBSIDIARY**

Reference is made to the announcement of the Company dated 25 November 2024 in respect of the Disposals (the “**Announcement**”). Unless otherwise defined, the terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Company would like to provide further information to the Shareholders and potential investors of the Company in respect of the Disposals.

BASIS OF THE DETERMINATION OF THE CONSIDERATION

As disclosed on page 4 of the Announcement, the consideration (the “**Consideration**”) for the Disposals (i.e., in the total amount of RMB39,975,197.36 and RMB16.73 per share) was determined after arm’s length negotiations between Tsaker Hong Kong and the Purchasers with reference to (i) the valuation of Tsaker Technology (the “**Target Company**”) as of the execution date of the Share Transfer Agreements as agreed between the parties (i.e., approximately RMB1,063.55 million); (ii) the total issued shares of the Target Company as of the execution date of the Share Transfer Agreements (i.e., 63,571,427 shares); and (iii) the reasons for and benefits of the entering into of the Share Transfer Agreements as set out in the Announcement.

In respect of the Consideration and the valuation of the Target Company as of the execution date of the Share Transfer Agreements as agreed between the parties, the Board has primarily considered the followings:

Valuation Approach

Tsaker Hong Kong adopted a market approach, based on the comparable companies, to conduct the valuation, which, the Board is of the view, is able to better reflect the market conditions and objectively reflect the value of the Target Company. In particular, Tsaker Hong Kong considers that the market approach is appropriate as it is able to reflect the market’s investment preferences and provide a mark-to-market value comparison. In addition, Tsaker Hong Kong has identified sufficient comparable companies in the corresponding industries to facilitate a meaningful comparison result.

Tsaker Hong Kong considers that (i) the cost approach is not appropriate as it cannot reflect the value derived from the Target Company's own principal business operations and ignores the economic benefits; and (ii) the income approach is not appropriate as it requires detailed financial forecast based on numerous assumptions, which may not be easily verifiable, supportable or reliably measured.

Selection of Valuation Benchmark

The price-to-earnings (“P/E”) ratio is one of the most commonly used valuation multiples. It is considered a representative indicator because it evaluates the Target Company based on profitability, which is the ultimate driver of value. Therefore, Tsaker Hong Kong considers that it is fair and reasonable to select the P/E ratio as the valuation benchmark.

Comparable Companies

Tsaker Hong Kong has identified a list of comparable companies based on the following screening criteria:

- the comparable companies finished their initial public offerings (“IPO”) on the Beijing Stock Exchange during the period from 1 January 2024 to the date of the Announcement;
- the principal business of these comparable companies are in the same industry as the Target Company (i.e., the fine chemical industry); and
- the scale of business of such comparable companies, taking into account key financial indicators such as the total revenue and the proportion of revenue attributable to production and sales of fine chemical for the year ended 31 December 2023, the total assets as of 31 December 2023 and the net assets as of 31 December 2023, is comparable to that of the Target Company.

The above screening criteria was devised with a view to identifying a sufficiently representative number of comparable companies that have a business profile similar to that of the Target Company to yield an acceptable indication of value for the purpose of the market approach. Tsaker Hong Kong considers that the selection criteria is fair and reasonable.

The relevant details of the comparable companies are set forth in the table below:

Name of company	Stock code	Principal business	Total	Proportion	Total assets	Net assets	P/E ratio ⁽¹⁾
			revenue for	of revenue			
			the year	attributable	as of 31	as of 31	
			ended 31	to production	December	December	
			December	and sales of	2023	2023	
			2023	fine chemical	(RMB'000)	(RMB'000)	
			(RMB'000)	for the year			
				ended 31			
				December 2023			
Hefei Cobel Advanced Plastics Co., Ltd. (合肥科拜爾新材料股份有限公司)	920066.BJ	Research and development, production and sales of modified plastics and color masterbatches	388,736	99.74%	266,190	206,777	13.92

Name of company	Stock code	Principal business	Total revenue for the year ended 31 December 2023 (RMB'000)	Proportion of revenue attributable to production and sales of fine chemical for the year ended 31 December 2023	Total assets as of 31 December 2023 (RMB'000)	Net assets as of 31 December 2023 (RMB'000)	P/E ratio ⁽¹⁾
Anhui Chinaherb Flavors & Fragrances Co., Ltd. (安徽中草香料股份有限公司)	920016.BJ	Research and development, production and sales of flavors and fragrances	205,908	97.83%	422,646	223,708	14.93
Guangdong Bawei Biotechnology Corporation (廣東芭薇生物科技股份有限公司)	837023.BJ	Research and development, production, sales and testing of cosmetics	468,665	99.22%	663,182	327,209	14.00
Zhejiang Chemsyn Pharm. Co., Ltd. (浙江海昇藥業股份有限公司)	870656.BJ	Research and development, production and sales of veterinary active pharmaceutical ingredients, pharmaceutical active pharmaceutical ingredients and intermediates ⁽²⁾	215,102	97.61%	307,375	284,393	14.53
Target Company	873772.NQ	Research and development, production and sales of high-performance organic pigment intermediates, food additive intermediates and new material polymeric monomers	376,960	100.00%	467,740	348,551	

Notes: (1) The P/E ratios are the comparable companies' P/E ratios of IPO. Taking into account that (i) although the Target Company has been quoted on the NEEQ, the liquidity of its shares is still obviously lower than that after its listing on the Beijing Stock Exchange; (ii) the stock prices and P/E ratios of IPO are determined through strict procedures such as market inquiry and exchange review before public offering; and (iii) the Second Batch of the 2024 Repurchase Right granted by Tsaker Hong Kong to the Purchasers of Disposals shall be void ab initio from the date on which the Target Company is successfully listed on the Beijing Stock Exchange, the Purchasers believes that, and Tsaker Hong Kong agrees that, it would be more appropriate to make reference to the P/E ratios of IPO of those comparable companies.

(2) According to the group standard "Classification of Fine Chemical Products 2024 Edition" proposed by China Chemical Industry Information Association, veterinary pharmaceuticals and pharmaceuticals belong to the category of fine chemicals.

Taking into account that (i) among all the 19 companies, which finished their IPO on the Beijing Stock Exchange during the period from 1 January 2024 to the date of the Announcement, only the four comparable companies belong to the fine chemical industry; (ii) the four comparable companies are listed in February 2024, March 2024, September 2024 and October 2024, respectively, with listing date spreading out throughout 2024, and the IPO P/E ratio ranged from 13.92 to 14.93, which indicates that the valuation of the fine chemical industry was relatively stable when they were listed on the Beijing Stock Exchange in 2024; and (iii) the four comparable companies' total revenue and proportion of revenue attributable to production and sales of fine chemical for the year ended 31 December 2023, total assets as of 31 December 2023 and net assets as of 31 December 2023 are comparable to those of the Target Company, the Board is of the view that the four comparable companies are appropriate and exhaustive for the above-mentioned purpose.

Input Parameters and Calculation Process of the Valuation

As shown in the above table, the P/E ratios of the comparable companies range from 13.92 to 14.93, with an average of approximately 14.35. Besides, according to the public information, the median P/E ratio of IPO of all companies newly listed on the Beijing Stock Exchange during the period from 1 January 2024 to the date of the Announcement is approximately 14.53.

For the year ended 31 December 2023, the audited basic and diluted earnings per share of the Target Company is RMB1.38.

Taking into account that (i) the Target Company's plan to consummate a proposed listing on the Beijing Stock Exchange (the "**Listing**") by 31 December 2027; (ii) the uncertainties borne by each of the Purchasers in relation to the Listing and issue prices; and (iii) although the Target Company has been quoted on the NEEQ, the liquidity of its shares is still obviously lower than that after its listing on the Beijing Stock Exchange, with reference to the median discount of the overall samples of 15.6% and the median discount of manufacturing industry of 15.8% according to the research of "Stout Restricted Stock Study Companion Guide 2024 Edition", a discount for lack of marketability of approximately 15.5% is adopted after the arm's length negotiations between the parties, which falls within the discount range according to the market practice.

As such, after applying a P/E ratio of approximately 14.35 and an approximately 15.5% discount for lack of marketability to the audited basic and diluted earnings per share of the Target Company for the year ended 31 December 2023 of RMB1.38, the consideration payable by each Purchaser for each Target Company's share received under the Disposal is RMB16.73. As of the execution date of the Share Transfer Agreements, the number of the Target Company's total issued shares was 63,571,427 shares. Therefore, based on the price per share (i.e., RMB16.73), the valuation of 100% equity interest of the Target Company as of the execution date of the Share Transfer Agreements as agreed between the parties is approximately RMB1,063.55 million.

The Board is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save as disclosed above, the contents of the Announcement remain unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 16 December 2024

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