China Titans Energy Technology Group Co., Limited
中國泰坦能源技術集團有限公司*

(Incorporated in the Cayman Islands with members' limited liability)

(Stock code: 2188)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

– Revenue increased from approximately RMB374,277,000 to RMB392,249,000 as compared to last year.

– Loss for the year attributable to owners of the Company amounted to approximately RMB45,383,000 as compared to loss of approximately RMB43,979,000 in 2023.

– The Board did not recommend the payment of any final dividend for the year ended 31 December 2024.

* *For identification purpose only*

FINANCIAL RESULTS

The board (the "Board") of directors (the "Directors") of China Titans Energy Technology Group Co., Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	NOTES	***RMB'000***	*RMB'000*
Revenue	*4*	**392,249**	374,277
Cost of revenue		**(289,729)**	(266,475)
Gross profit		**102,520**	107,802
Other revenue and income	*6*	**4,292**	15,802
Other gains and losses	*7*	**206**	5,653
Gain on disposal of a subsidiary		**28,526**	–
Selling and distribution expenses		**(74,426)**	(68,453)
Administrative and other expenses		**(88,621)**	(80,016)
Impairment losses in respect of interests in associates		**–**	(697)
Impairment losses of financial assets and contract assets, net		**(17,671)**	(25,124)
Share of results of associates		**1,837**	2,782
Finance costs	*8*	**(8,598)**	(8,815)
Loss before tax		**(51,935)**	(51,066)
Income tax credit	*9*	**6,062**	4,763
Loss for the year		**(45,873)**	(46,303)

	NOTE	**2024**	2023
		RMB'000	*RMB'000*
Other comprehensive expense			
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income		**(4,328)**	(10,993)
Income tax relating to items that will not be reclassified subsequently to profit or loss		**575**	562
Other comprehensive expense for the year, net of income tax		**(3,753)**	(10,431)
Total comprehensive expense for the year		**(49,626)**	(56,734)
Loss for the year attributable to:			
– Owners of the Company		**(45,383)**	(43,979)
– Non-controlling interests		**(490)**	(2,324)
		(45,873)	(46,303)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(49,136)**	(54,410)
– Non-controlling interests		**(490)**	(2,324)
		(49,626)	(56,734)
LOSS PER SHARE	*11*		
Basic (RMB)		**(3.04 cents)**	(3.41 cents)
Diluted (RMB)		**(3.04 cents)**	(3.41 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	NOTE	**2024** **RMB'000**	2023 RMB'000
Non-current assets			
Property, plant and equipment		**155,907**	155,024
Right-of-use assets		**7,935**	9,755
Goodwill		**–**	–
Intangible assets		**8,684**	13,498
Interests in associates		**20,392**	19,290
Financial assets at fair value through other comprehensive income		**5,300**	9,628
Financial asset at fair value through profit or loss		**1,230**	1,209
Deferred tax assets		**22,375**	16,704
		221,823	225,108
Current assets			
Inventories		**143,082**	192,099
Trade receivables	*12*	**380,413**	306,613
Contract assets		**34,800**	42,436
Prepayments, deposits and other receivables		**45,850**	54,530
Amounts due from associates		**633**	841
Tax recoverable		**3,361**	4,469
Restricted bank balances		**56,874**	32,979
Bank balances and cash		**133,861**	219,772
		798,874	853,739

	NOTE	2024 RMB'000	2023 RMB'000
Current liabilities			
Trade and bills payables	*13*	**155,765**	215,509
Accruals and other payables	*13*	**8,461**	8,431
Contract liabilities		**63,858**	62,906
Amounts due to associates		**455**	555
Bank and other borrowings		**155,800**	105,441
Lease liabilities		**1,963**	1,884
Tax payable		**101**	132
		386,403	394,858
Net current assets		**412,471**	458,881
Total assets less current liabilities		**634,294**	683,989
Non-current liabilities			
Bank and other borrowings		**53,968**	51,108
Lease liabilities		**–**	1,963
Deferred tax liabilities		**11,315**	12,281
		65,283	65,352
Net assets		**569,011**	618,637
Capital and reserves			
Share capital		**13,093**	13,093
Share premium and reserves		**547,179**	596,315
Equity attributable to owners of the Company		**560,272**	609,408
Non-controlling interests		**8,739**	9,229
Total equity		**569,011**	618,637

1. GENERAL INFORMATION

China Titans Energy Technology Group Co., Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate holding company is 唐山國控科技創新投資集團有限公司 (Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited) ("Tangshan Guokong") (incorporated in Hong Kong), and its shares is ultimately owned by 唐山國控集團有限公司 ("Tangshan Guokong Group Company Limited"*) ("Tangshan Group") (incorporated in the PRC). The ultimate controlling party of Tangshan Group is 唐山市人民政府國有資產監督管理委員會 (Tangshan Municipal People's Government State-owned Assets Supervision and Administration Commission*) ("Tangshan SASAC") in the PRC.

The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" to the annual report.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are (i) supply of power electric products and equipment; (ii) the leases of electric vehicles; (iii) provision of charging services for electric vehicles and construction services of charging poles for electric vehicles under Build-Operate-Transfer ("BOT") arrangements. The Company's principal activity is investment holding.

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

Amendments to HKFRSs that are mandatory effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "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 Hong Kong accounting standard ("HKAS") 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Excepted as described below, the application of the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

* *English name is for identification purpose only*

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) (the "2020 Amendments"); and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group's liabilities.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]

[1] Effective for annual periods beginning on or after 1 January 2025.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.
[4] Effective for annual period beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and financial position of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

4. REVENUE

Revenue represents the amounts arising on (i) sales of electric products including direct current power system ("DC Power System"), power storage equipment and charging equipment for electric vehicles ("Charging equipment"); (ii) provision of charging services for electric vehicles; and (iii) rental income from the operating leases of electric vehicles.

An analysis of the Group's revenue for the year is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contract with customers within the scope of HKFRS 15		
Disaggregated by major products or services lines		
Sales of electric products		
– DC Power System	**144,473**	141,021
– Charging equipment	**224,584**	206,661
Provision of charging services for electric vehicles	**22,998**	26,517
	392,055	374,199
Revenue from other source		
Rental income from operating leases of electric vehicles		
– Fixed lease payments	**194**	78
	392,249	374,277

Disaggregation of revenue by timing of recognition

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**392,055**	374,199

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The executive directors of the Company have chosen to organise the Group around differences in products and service lines. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable segments under HKFRS 8 are as follows:

(i)	DC Power System	Manufacturing and sales of direct current power system
(ii)	Charging Equipment	Manufacturing and sales of charging equipment for electric vehicles
(iii)	Charging Services	Provision of charging services for electric vehicles

Segment revenues and results

The following is an analysis of the Group's revenue and the results by reportable and operating segments.

Year ended 31 December 2024

	DC Power System *RMB'000*	Charging Equipment *RMB'000*	Charging Services *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Types of goods or service					
Sales of electric products	144,473	224,584	–	–	369,057
Provision of charging services for electric vehicles	–	–	22,998	–	22,998
Revenue from contracts with customers	144,473	224,584	22,998	–	392,055
Rental income from operating leases of electric vehicles	–	–	–	194	194
Segment revenue	144,473	224,584	22,998	194	392,249
Segment profit	37,284	70,131	2,163	43	109,621
Unallocated other revenue					4,292
Unallocated other gains and losses					206
Unallocated expenses					(159,293)
Share of results of associates					1,837
Finance costs					(8,598)
Loss before tax					(51,935)

Year ended 31 December 2023

	DC Power System *RMB'000*	Charging Equipment *RMB'000*	Charging Services *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Types of goods or service					
Sales of electric products	141,021	206,661	–	–	347,682
Provision of charging services for electric vehicles	–	–	26,517	–	26,517
Revenue from contracts with customers	141,021	206,661	26,517	–	374,199
Rental income from operating leases of electric vehicles	–	–	–	78	78
Segment revenue	141,021	206,661	26,517	78	374,277
Segment profit	13,235	71,092	1,311	47	85,685
Other revenue					15,802
Unallocated other gains and losses					5,859
Unallocated expenses					(151,682)
Impairment losses in respect of interests in associates					(697)
Share of results of associates					2,782
Finance costs					(8,815)
Loss before tax					(51,066)

Note: All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of other revenue and income, certain other gains and losses, impairment losses of financial assets in respect of loan receivable, impairment losses in respect of interests in associates, share of results of associates, selling and distribution expense and certain administrative costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. OTHER REVENUE AND INCOME

	2024	2023
	RMB'000	*RMB'000*
Value added tax ("VAT") refunds *(Note (a))*	**2,552**	5,720
Interest income on loan receivables	**–**	29
Interest income on finance lease receivable	**–**	38
Bank interest income	**810**	415
Government grants *(Note (b))*	**930**	9,600
	4,292	15,802

Notes:

(a) The amount represent the VAT refund in respect of sales of electric products qualified under the PRC tax bureau's policy.

(b) During the years ended 31 December 2024 and 2023, the government grants are subsidies received regarding the research and development on technology innovation and promotion of electric vehicles. As at 31 December 2024 and 2023, there are no unfulfilled conditions or contingencies relating to those subsidies and they are recognised as other income upon receipt.

7. OTHER GAINS AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
Loss on write-off of property, plant and equipment	**–**	(205)
Fair value gain (loss) on financial assets at FVTPL	**21**	(1,625)
Net exchange gain	**185**	6,605
Loss on disposal of property, plant and equipment	**–**	(1)
Gain on partial disposal an associate	**–**	879
	206	5,653

8. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interests on:		
Bank borrowings	**8,214**	8,440
Other borrowings	**298**	297
Lease liabilities	**86**	78
	8,598	8,815

9. INCOME TAX CREDIT

	2024	2023
	RMB'000	*RMB'000*
Deferred tax*:*		
Current year	**(6,062)**	(4,763)

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2024 (2023: nil), nor has any dividend been proposed since the end of the reporting period.

11. LOSS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
Loss for the purpose of basic and diluted loss per share	**(45,383)**	(43,979)

Number of shares

	2024	2023
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,492,026**	1,290,091

As the Group incurred loss for the years ended 31 December 2024 and 2023, the impact of share options was not included in the calculation of the diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2024 and 2023 are the same as basic losses per share.

12. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**483,878**	394,773
Less: Allowance for impairment loss	**(103,465)**	(88,160)
	380,413	306,613

At 31 December 2024, the carrying amount of trade receivables which have been pledged as security for the bank and other borrowing, is approximately RMB30,000,000 (2023: RMB81,978,000).

At as 31 December 2024, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB483,878,000 (2023: RMB394,773,000).

The following is an ageing analysis of trade receivables net of allowance for impairment loss of trade receivables presented based on the dates of delivery of goods, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2024	2023
	RMB'000	*RMB'000*
0 - 90 days	**215,345**	173,387
91 - 180 days	**38,094**	28,799
181 - 365 days	**88,850**	44,495
After 1 year but within 2 years	**26,216**	43,256
After 2 years but within 3 years	**11,908**	16,676
	380,413	306,613

13. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade and bills payables:		
Trade payables	**106,527**	170,859
Bills payables *(note)*	**49,238**	44,650
	155,765	215,509
Accruals and other payables:		
Accruals	**7,539**	7,528
Other payables	**922**	903
	8,461	8,431

Note: The amounts relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade and bills payables based on the invoice date of goods purchased at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
0 - 90 days	**121,242**	132,158
91 - 180 days	**21,368**	46,770
181 - 365 days	**4,800**	20,075
After 1 year but within 2 years	**7,953**	15,590
After 2 years but within 3 years	**402**	916
	155,765	215,509

The average credit period on purchases of goods is 90 days (2023: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2024 (the "Reporting Period"), the Group recorded revenue of approximately RMB392,249,000, representing an increase of approximately 4.80% over that of last year. Revenue was mainly derived from the Group's principal businesses including various products such as direct current power system products (the "DC Power System products" or "electrical DC products"), charging equipment for electric vehicles and charging services for electric vehicles. The table below shows the revenue of different series of products of the Group for the years ended 31 December 2024 and 2023:

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Electrical DC products	**144,473**	**36.83**	141,021	37.68
Charging equipment for electric vehicles	**224,584**	**57.26**	206,661	55.22
Charging services for electric vehicles	**22,998**	**5.86**	26,517	7.08
Others	**194**	**0.05**	78	0.02
Total	**392,249**	**100**	374,277	100

In 2024, the Group recorded a loss attributable to owners of the Company and total comprehensive expense attributable to owners of the Company of approximately RMB45,383,000 and RMB49,136,000, respectively, representing an increase of approximately RMB1,404,000 and a decrease of approximately RMB5,274,000 as compared to the loss of approximately RMB43,979,000 and the total comprehensive expense of approximately RMB54,410,000 of last year.

The loss of the Group for 2024 was mainly due to: (1) the increase in costs and expenses during the Reporting Period; and (2) the impairment losses of trade receivables.

Electrical DC products

During the Reporting Period, the Group's revenue of the electrical DC product was approximately RMB144,473,000, representing an increase of approximately 2.45% over 2023.

Charging equipment for electric vehicles

During the Reporting Period, the Group's revenue of the charging equipment for electric vehicles amounted to approximately RMB224,584,000, representing an increase of approximately 8.67% over 2023. The Directors are of the view that the Group's revenue increased during the Reporting Period as a result of the further development of the new energy vehicle industry and the rising demand for charging equipment projects in various regions of China.

Charging services for electric vehicles

During the Reporting Period, the Group recorded revenue from charging services for electric vehicles of approximately RMB22,998,000, representing a decrease of approximately 13.27% as compared to that recorded in 2023. The Directors are of the view that the decrease in revenue from electric vehicle charging services was mainly due to the decrease in charging volume at some of the public transport charging stations, which resulted in the decrease in revenue from the Company's charging services business.

Others

During the Reporting Period, the Group's revenue of other businesses amounted to approximately RMB194,000, being the income from the sales of power storage products and the leasing business in relation to electric vehicles, representing an increase as compared to that recorded in 2023.

Major operating activities in 2024:

During the Reporting Period, the new energy vehicle industry chain showed a high-quality development momentum, and the construction of charging infrastructure and the end-consumer market formed a positive interaction, driven by the full implementation of the rules of implementation of the national "trade-in for new" policy and the continued increase in local subsidies for purchasing new energy vehicles.

According to the latest statistics released by the China Electric Vehicle Charging Infrastructure Promotion Alliance, the new energy vehicle market achieved leapfrog growth in the year 2024, with annual terminal retail sales reaching 11,582,000 units. Supporting charging infrastructure developed in tandem, with the number of charging infrastructure increased by 4,222,000 units, representing a year-on-year increase of 24.7%, of which, public charging piles increased by 853,000 units, representing a year-on-year decrease of 8.1%. The private charging piles built with vehicles increased by 3,368,000 units, representing a year-on-year increase of 37.0%. As of the end of December 2024, the cumulative number of charging infrastructure nationwide was 12,818,000 units, representing a year-on-year increase of 49.1%. The piles to vehicle incremental ratio is 1:2.7, and the construction of charging infrastructure is basically adequate for the rapid development of new energy vehicles.

The data released by the China Electricity Council indicated that China's total electricity consumption reached 9,852.1 billion kWh in 2024, representing a year-on-year increase of 6.8%, and the construction of new power system continued to deepen. Against this backdrop, the Group's core smart grid key equipment of electrical DC products to seize the development opportunities. They continued to meet the demand for digitalization and intelligent upgrading of power grids and continued to expand their applications in scenarios such as UHV power transmission, distributed energy grid connections and an ancillary energy storage system. Benefiting from the national large-scale investment planning for new power systems and social demand for the power side, the market penetration of the Company's products is expected to further increase.

During the Reporting Period, the Group achieved revenue from the principal business of approximately RMB392,249,000, representing a year-on-year increase of 4.80%. Despite the increase in revenue, the domestic economy continued to face multiple challenges and competition in the new energy automobile industry chain intensified. In order to increase its market share, the Group increased its marketing efforts and related expenses on the one hand, and launched more price-competitive marketing policies on the other hand, which resulted in a decrease in gross profit margin. The main operating conditions are set out as below:

1. Electrical DC products

In 2024, the Group's electrical DC products recorded a revenue of approximately RMB144,473,000, representing a year-on-year increase of 2.45%. The Group continued to adopt the sales model of "direct sales + agency" and achieved certain results in the market. In bidding activities, leveraging on the professional brand reputation, high-quality services and intelligent and stable performance advantages of Titan's electrical DC products, Titans successfully won bids for numerous key projects in Jiangxi, Hubei, Fujian, and Tibet.

The Group's electricity-dazzling products continued to make an impact in the semiconductor, automobile manufacturing, metallurgy, food production and chemical industry. The products effectively enhance the stability of the power system, effectively reduce the length of equipment downtime and the risk of equipment damage, and safeguard the safe and stable operation of customers' production equipment.

In addition, in 2024, the Group launched a brand new power supply product - "Remote Nuclear Capacitor (Discharge) Product", the application areas of which cover the State Grid, new energy power generation, industrial and commercial energy storage, charging stations for new energy electric vehicles, airport power supply systems, large-scale industrial and mining enterprises, shopping malls, hotels and residential areas, etc. The Group is aware of the broad application prospect of this product and has been actively engaged in its research and development and promotion. The technology of this product is currently at the leading level in China and has been successfully applied in many power grid companies in Guangdong, Guangxi, Ningxia, Qinghai, Fujian and Guizhou.

2. *Charging and power-replacing equipment for electric vehicles*

During the Reporting Period, the charging equipment for electric vehicles of the Group achieved revenue of approximately RMB224,584,000, representing a year-on-year increase of 8.67%. Since entering the electric vehicle charging and power-replacing industry in 2005, Titans has always adhered to the concept of "innovation, quality and service", providing users with high-quality charging products and services through technological innovation, and promoting the development of the industry.

In 2024, leveraging on our excellent brand reputation, high-quality services and reliable product functions, the Group successfully won the bids for numerous procurement projects of charging equipment for electric vehicles in multiple provinces and cities such as Hubei, Guangdong, Beijing, Sichuan, Gansu, Anhui, Hebei, Fujian, Shandong and Hainan. In addition, the Group paid special attention to the charging projects of China National Petroleum Corporation ("CNPC"), with service areas including Shandong, Sichuan, Shanxi, Hainan, Beijing, Jiangsu and Tianjin. At the same time, the Group has comprehensively laid out the new energy industry in the Tangshan region of Hebei Province, actively participated in and successfully landed a number of smart charging poles projects in the Tangshan City, accelerating the formation of a closed-loop industrial chain integrating research and development, production and application demonstration, and serving the development of the industry in the whole region, and laying the foundation for promoting the coverage of local charging service network.

The Group continued to promote its 720kW liquid-cooled supercharger host and supercharger terminal based on liquid-cooling technology. The product can maintain stable operation under extreme conditions such as high temperature, low temperature, salt spray and high altitude due to its excellent environmental adaptability. With support for fast charging, it significantly reduced charging time. In addition, TT-Power's standardized charging and switching product series has been comprehensively upgraded in 2024 with excellent compatibility and high efficiency, further enhancing the charging experience for users.

The Company introduced a new intelligent ring set power scheduling solution for DC high-power charging products and launched a quasi-megawatt class charging system. By applying dynamic power allocation, the maximum power of a single system can reach 960kW, and the maximum number of gun ports can support 16 guns, which can optimize the power allocation strategy for different vehicles or scenarios, and will be more suitable for high-frequency scenarios, such as logistic parks, bus hubs, and so on. A single system can serve multiple heavy trucks or buses at the same time, reducing queuing and waiting. At the same time, through the high-density gun layout, in the limited space to achieve the "quasi-gas station" service capacity, the number of vehicles served per day by a single charging station will be significantly increased.

In addition, the Group is actively concerned about people's livelihood. In order to solve the charging safety problem of "flying wire charging and electric vehicles entering buildings", the Group has constructed charging infrastructures for electric vehicles and electric bicycles in the Caofeidian District of Tangshan City in Hebei Province, and has provided convenient charging services for 127 residential areas and public places.

Titans will continue to be committed to promoting new technologies and contributing to the construction of efficient and convenient electric vehicle charging networks in various regions.

3. *Charging services for electric vehicles*

In 2024, revenue from charging services for electric vehicles amounted to approximately RMB22,998,000, representing a year-on-year decrease of 13.27%, mainly due to the reduction in charging volume of some public transport charging stations. The Group focused on optimizing and upgrading the core equipment of the existing charging stations to comprehensively improve the quality of service and ensure that users receive a more efficient and stable charging experience. Meanwhile, it actively expanded its franchise cooperation network and deepened its market layout together with its partners. Through joint market promotion activities, the Group continued to enhance its brand influence and expand its service coverage to provide users with more convenient and high-quality travelling protection.

In terms of research and development, the Group focused on optimizing software functions, including delayed settlement after automatic detection of insufficient balance, two-gun charging for heavy trucks through applet code scanning and automatic parking fee waiver after charging, automatic sending of charging invoices for users, starting and stopping of charging by swiping the card at AC piles, optimization of the use of coupons and the refund mechanism, etc., in order to provide a more convenient and better charging experience for users.

4. *Research and development*

The Group has always believed that innovation is an important driving force for sustained competitive advantage. During the Reporting Period, the Group significantly increased its investment in research and development, including replenishing the necessary experimental and testing equipment, increasing the remuneration of core research and development personnel and expanding co-operation with universities and scientific research institutes. Research and development focused on areas such as charging and switching technologies, energy storage and integrated energy utilization, and significant progress was made.

During the Reporting Period, the Group was granted a total of 7 patents for inventions covering innovations in the following 4 areas: (1) in the field of charging technology, the development of a method for preventing damage to power meters in the event of vibration or falling, thereby enhancing the stability of the connection between cables and power meters; (2) in the field of new energy charging piles, the optimization of cable distribution devices for charging piles for neater and more orderly cable management; (3) in the field of the technology of monitoring auxiliary switches, the Company has developed a device for monitoring relay auxiliary switches, with the aim of improving monitoring efficiency, reducing the required processor input and output ports (IO ports), and being able to quickly and accurately detect the status, position, and heat generation of each relay; (4) in the technical field of dynamic detection of pantographs and contact grids of electric locomotives in rail transport, providing a real-time transmission method of online detection alarms for contactless contact grids with high operational efficiency, accurate detection and quick response.

Titans has always adhered to technological innovation as the core driving force and has constantly enhanced product competitiveness, helping the industry to move towards high-quality development.

5. *Marketing Management*

During the Reporting Period, the Group invested more to vigorously build a comprehensive strategic marketing system and accelerated the pace of market expansion through multi-dimensional resource integration, including but not limited to: replenishing the necessary sales team, establishing new sales channels in the blank areas of the market, searching for more market partners, and stepping up the promotion of the product brand. The Group believes that more marketing channels, partners and product promotion will effectively enhance the Company's marketing capability.

6. *Customer Service*

Titans has always regarded "attentive service that meets or exceeds customers' expectations" as an important objective of its quality policy. Through continuous investment of resources, Titans has established a highly skilled, professional, efficient and experienced service team and a comprehensive and efficient service system to ensure that Titans provides customers with excellent service experience.

During the Reporting Period, Titans once again passed the national standard GB/T 27922-2011 after-sales service system certification and was awarded a five-star service rating based on its excellent performance in the field of customer service. This marks Titans in the service capabilities, widely recognized and highly evaluated, but also the affirmation of the corporate culture and business philosophy. Titans will continue to uphold the "customer first" principle, and constantly improve the level of service, to provide each customer with a more high-quality, comprehensive service experience, and is committed to becoming the most trusted partner of customers.

Future business prospect and plans

In 2025, new energy vehicles will remain a key area for China to promote the growth of domestic demand and industrial upgrading, and its related industries will also usher in opportunities for sustained development. It is estimated that by 2025, the number of new energy vehicles will exceed 40 million units. Under the policy support, the upgrading of charging infrastructure equipment will be accelerated, and the collaborative construction of the power grid to jointly drive the development of the industry.

On 24 January 2025, the General Office of eight departments, including the Ministry of Commerce, issued a notice on the launch of a pilot reform of vehicle circulation and consumption. The notice proposed that in 2025-2027, a pilot reform of vehicle circulation and consumption would be carried out to stabilize and expand vehicle consumption. The notice proposed to explore the establishment of a coordinated mechanism across vehicle consumption promotion departments in their local regions, to strengthen regular consultation, collaboration and linkage, and to make good use of beneficial policies to form a joint force for the work. It encouraged relevant regions to improve measures on vehicle purchase and driving restrictions, to promote the refined and differentiated management of vehicle purchase targets, to make comprehensive use of economic and technological methods, and to explore the gradual relaxation or cancellation of policies on the restriction of purchase, so as to better satisfy residents' demand for an automobile purchase. The notice proposed to explore the establishment of low-carbon emission zones and to guide and encourage the consumption of energy-saving vehicles and new energy vehicles; to explore the multi-scenario application of autonomous driving technology based on the efficient synergy of vehicles, road networks, the Internet, cloud computing, and maps; to accelerate the technological breakthroughs and industrialized development of intelligent network automobile technology; and to nurture and grow the consumption of intelligent network new energy vehicles.

Under the national "dual carbon" strategy, the electrification of transport and the reform of new energy power have become two core development directions. As a key bridge between new energy vehicles and the new power system, charging infrastructure not only assumes the important functions of energy management and information interaction but also shoulders the mission of promoting the high-quality development of the industry. Meanwhile, the energy storage sector has an irreplaceable significance in the realisation of the "dual-carbon" goal. It is able not only to balance supply and demand and improve energy efficiency, but also to promote the large-scale application of renewable energy and enhance the flexibility and stability of the power grid.

The Group will actively respond to the needs of the national strategy, give full play to its advantages, continue to improve the level of product technology, expand its business areas and further strengthen its brand influence, contributing to the sustainable development of the new energy industry. The business and management priorities for 2025 are as follows:

1. *Improving the production and sales system, and actively expanding the market territory*

   In terms of manufacturing, the Group will continue to improve the design and process level of its two manufacturing plants in Zhuhai of Guangdong and Tangshan of Hebei, optimize inspection equipment, and accelerate the pace of digital and intelligent production transformation, introducing artificial intelligence (AI) to continuously improve manufacturing efficiency and product quality.

   In terms of sales and market expansion, the Group will keep abreast of market trends and customer needs to expand market penetration in order to increase overall market share. Based on solidifying its market advantages in high-power fast charging and intelligent flexible charging, the Group will further promote the implementation of standardized products. Meanwhile, it will increase its investment in heavy truck battery charging and swapping projects, focus on the urgent need for electrification of heavy trucks, rely on its existing experience in implementing heavy truck battery swapping projects, tap into its target customer groups and lay out intelligent heavy truck battery charging and swapping stations at key nodes of the logistics system.

   In order to effectively enhance the stability of green power supply and promote the synergistic development of green energy, the Group plans to actively promote the landing of grid-side energy storage, industrial and commercial energy storage and shared energy storage projects relying on the existing accumulation of advanced power electronics technologies, BATTERY MANAGEMENT SYSTEM (BMS), Energy Management System (EMS) technologies and new energy storage integration technologies, etc.

The Group will continue to optimise the structure of the industrial chain, with high-quality development as its core objective. In terms of marketing, it will optimise the sales incentive mechanism and fully mobilise and support frontline sales staff to expand new customers and channels. Based on the market foundation that has been laid out in 2024, the Group will further increase capital investment and vigorously integrate resources to consolidate existing channels and partnerships on the one hand to boost business growth, and accelerate the pace of promotion of new products on the other hand to promote further expansion of the market scale, and further build a comprehensive energy eco-network covering the entire region.

2. *Strengthening the operation and management of charging stations and assisting major operators in upgrading their operations*

At present, under the leadership of the strategy of building a new energy system, governments around the world are accelerating the intelligent upgrading of charging infrastructure and strengthening policy support through diversified financing channels. Relying on the mature investment, construction and operation experience accumulated over the years of ploughing into the new energy field, the Group has innovatively constructed a full ecological closed loop of "investment + construction + operation" with the support of the independently developed high-performance charging equipment product system and the continuously iterated core technologies such as V2G and intelligent scheduling. Focusing on the stock of charging stations in urban transport hubs, commercial complexes and other public places, it provides full life-cycle services covering equipment renewal, system upgrading and energy-efficiency management, and simultaneously builds a "light, storage, charging, swapping and inspection" integrated intelligent energy demonstration project to build a multi-energy complementary integrated energy service system. Through the flexible use of financial tools and the innovative creation of a diversified business ecosystem of "basic service + value-added operation", the Group strives to improve the utilisation efficiency of charging facilities and user experience, promote the synergistic development of the new energy vehicle industry and the new type of electric power system, and provide a replicable full-scenario solution for the green and low-carbon transformation of the city.

3. *Emphasis on research and development, enhancing the core competitiveness of products*

The Group will deeply practise the innovation-driven development strategy. In terms of product research and development and technology, the Group will maintain its core technological advantages in power electronics, realise breakthroughs in intelligent power supply products, develop a new monitoring product system to upgrade its existing charging pile products in four dimensions: power, heat dissipation, safety and cost, including liquid-cooled super-charging, air-cooled super-charging, conventional charging piles and slow-charging for sequential charging. The Group will complete the upgrade of all standard products, land a new generation of industrial and commercial energy storage systems, covering BMS and EMS control systems as well as high-power electricity dazzling products. In terms of platform, the Group will focus on strengthening the monitoring product platforms, software platforms and system integration capabilities, and realise the synergistic control of charging facilities, energy storage systems and photovoltaic power plants. The Group continues to shape and improves the core competitiveness of its products centred on customer needs, and at the same time strengthens cooperation with various research and development teams to continuously iterate existing products and reserve new technologies ahead of schedule, with the goal of producing safer, more efficient and intelligent products to improve future market suitability.

4. *Optimizing internal management and enhancing comprehensive resilience*

The Group will increase the synergy, fusion and integration of internal and external resources in the supply chain and production chain to enhance digital production, and enhance the effectiveness and orderliness of production through the use of the MES system; the Group will continue to promote the integration of business and finance in order to optimise data accuracy, progressively bring the configuration quotation system online, optimise and expand the product lifecycle management system PLM ("Product Lifecycle Management"), and progressively upgrade the information technology system as a whole in order to enhance the overall work efficiency. Departments will be deeply integrated, the division of labour will be refined, management positions will be appropriately adjusted, and the training of management cadres will be strengthened to enhance their management capabilities; the Group will promote the development of cross-competence in the form of job rotation, optimize the personnel structure and continue to promote the rejuvenation of cadres. The Group will deepen the assessment mechanism combining Key Performance Indicators (KPIs) and the Objectives and Key Results (OKRs) method, promote the introduction of AI tools into office application scenarios, enhance the overall quality and work efficiency of employees, and create an efficient team.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately RMB374,277,000 for the year ended 31 December 2023 to approximately RMB392,249,000 for the year ended 31 December 2024, representing an increase of approximately 4.80%. The main reason for the increase in the Group's revenue is that during the Reporting Period, Chinese economy showed a steady and better trend, and maintained steady growth, while market demand ramped up rapidly. In view of the changes in the market environment, the Group adjusted the sales policy, incentivized the sales personnel, and provided reliable products and professional integrated services that were widely recognized by the market and customers, resulting in an increase in the revenue of the Group compared with last year. Among which, electrical DC products increased by approximately 2.45%, charging equipment for electric vehicle increased by approximately 8.67%, charging services for electric vehicles decreased by approximately 13.27% and others increased by approximately 148.72%.

Cost of sales

Our cost of sales, which mainly included raw material costs, direct labour costs and manufacturing expenses, increased by approximately 8.73% from RMB266,475,000 for the year ended 31 December 2023 to RMB289,729,000 for the year ended 31 December 2024. The increase in cost of sales was mainly attributable to the increase in revenue during the Reporting Period.

Gross Profit

The table below sets out our gross profit and gross profit margin for the years ended 31 December 2024 and 2023:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Gross profit *RMB'000*	**Percentage of total gross profit** %	**Gross profit margin** %	Gross profit *RMB'000*	Percentage of total gross profit %	Gross profit margin %
Electrical DC products	**23,442**	**22.87**	**16.23**	33,411	30.99	23.69
Charging equipment for electric vehicles	**77,705**	**75.79**	**34.60**	72,836	67.57	35.24
Charging services for electric vehicles	**1,322**	**1.29**	**5.75**	1,534	1.42	5.78
Others	**51**	**0.05**	**26.29**	21	0.02	26.92
Total/average	**102,520**	**100**	**26.14**	107,802	100	28.80

Our gross profit decreased by approximately 4.90% from RMB107,802,000 for the year ended 31 December 2023 to RMB102,520,000 for the year ended 31 December 2024. Our gross profit margin decreased from approximately 28.80% for the year ended 31 December 2023 to approximately 26.14% for the year ended 31 December 2024. The decrease in gross profit margin as compared to that of the corresponding period of last year was primarily due to the intensified market competition in respect of the sales of electrical DC products and charging equipment products for electric vehicle during the Reporting Period, resulting in the adjustment of the product pricing by the Company.

Other revenue and income

Our other revenue, which mainly included VAT refunds, government grants and bank interest income, decreased by approximately RMB11,510,000 from RMB15,802,000 for the year ended 31 December 2023 to RMB4,292,000 for the year ended 31 December 2024.

The decrease in other revenue of the Group was mainly attributable to the combined effects of factors such as the decrease in subsidies received from the government in 2024.

Selling and distribution expenses

Our selling and distribution expenses, which mainly comprised the relevant expenses in sales and after-sales services, salaries of sales personnel, benefits and travelling expenses, and office expenses, entertainment expenses and other expenses, increased by approximately 8.73% from RMB68,453,000 for the year ended 31 December 2023 to RMB74,426,000 for the year ended 31 December 2024. Our selling and distribution expenses as a percentage of revenue increased from approximately 18.29% for the year ended 31 December 2023 to approximately 18.97% for the year ended 31 December 2024. The increase in the Group's selling and distribution expenses was mainly due to the following integrated factors during the Reporting Period: (1) sales-related expenses such as salaries, travelling and entertainment expenses increased by approximately RMB4,844,000; (2) sales-related fees such as bid-winning services fees increased by approximately RMB206,000; (3) sales-related expenses such as office and advertising expenses increased by approximately RMB157,000; (4) sales-related expenses such as transportation, installing and testing expenses increased by approximately RMB559,000; and (5) sales-related expenses such as amortization, depreciation and other miscellaneous expenses increased by approximately RMB207,000.

Administrative and other expenses

Our administrative and other expenses, which mainly comprised, inter alia, management and back office staff costs, research and development expenses, travelling expenses and entertainment expenses, and foreign exchange gain and loss etc., increased by approximately 10.75% from RMB80,016,000 for the year ended 31 December 2023 to RMB88,621,000 for the year ended 31 December 2024. Our administrative and other expenses as a percentage of revenue increased from approximately 21.38% for the year ended 31 December 2023 to approximately 22.59% for the year ended 31 December 2024. The increase of approximately RMB8,605,000 in our administrative and other expenses during the Reporting Period was mainly due to the following integrated factors: (1) expenses such as salaries, research and development and depreciation expenses relating to management increased by approximately RMB1,445,000; (2) bank charges and payment to lawyers and professionals increased by approximately RMB1,202,000; (3) expenses such as office, maintenance, consumables, subscription and utility expenses relating to management increased by approximately RMB1,874,000; (4) amortization and other sundry expenses increased by approximately RMB62,000; (5) expenses such as benefits, travelling and entertainment expenses relating to management increased by approximately RMB2,559,000; and (6) rental, transportation and other taxes increased by approximately RMB1,463,000.

Share of results of associates

As at 31 December 2024, the Group owned 20% (as at 31 December 2023: 20%) equity interests in Qingdao Titans Yilian New Energy Technology Co., Limited* (青島泰坦驛聯新能源科技有限公司) ("Qingdao Titans"). Qingdao Titans is engaged in the construction of charging network for electric vehicles, as well as the sale, lease and maintenance business of electric vehicles. Qingdao Titans was accounted for as the Group's associate, and the Group's share of profit from Qingdao Titans during the Reporting Period was approximately RMB22,000.

As at 31 December 2024, the Group owned 9.4% (as at 31 December 2023: 9.4%) equity interests in Guangdong Titans Intelligent Power Co., Ltd* (廣東泰坦智能動力有限公司) ("Guangdong Titans"). Guangdong Titans is principally engaged in the research and development, sales and manufacturing of charging equipment for Automated Guided Vehicles ("AGV"). Guangdong Titans was accounted for as the Group's associate, and the Group's share of profit from Guangdong Titans during the Reporting Period was approximately RMB709,000.

As at 31 December 2024, the Group owned 17% (as at 31 December 2023: 17%) equity interests in Jiangsu Titans Smart Technology Co., Limited* (江蘇泰坦智慧科技有限公司) (formally known as Wuhan Titans Smart Technology Co., Limited (武漢泰坦智慧科技有限公司)) ("Jiangsu Titans"). Jiangsu Titans is primarily engaged in the technology development, technology transfer and technology consultancy of computer software and hardware; computer system integration and networking; development and subcontracting of computer software and sales of computer equipment. Jiangsu Titans is accounted for as an associate of the Group and the Group's share of profit from Jiangsu Titans during the Reporting Period amounted to approximately RMB1,106,000.

Finance costs

Our finance costs decreased by approximately 2.46% from RMB8,815,000 for the year ended 31 December 2023 to RMB8,598,000 for the year ended 31 December 2024. Our finance costs as a percentage of revenue decreased from approximately 2.36% for the year ended 31 December 2023 to approximately 2.19% for the year ended 31 December 2024. The decrease in our finance costs was mainly due to the decrease in the average borrowing costs of borrowings.

Income tax credit

Our income tax credit was approximately RMB6,062,000 for the year ended 31 December 2024 whereas our income tax credit was approximately RMB4,763,000 for the year ended 31 December 2023. The effective tax rate (being the ratio of our tax credit to our profit before tax) for the year ended 31 December 2024 was approximately 11.67% (2023: approximately 9.33%).

Loss attributable to non-controlling interests

For the year ended 31 December 2024, loss attributable to non-controlling interests of the Group's non-wholly owned subsidiaries was approximately RMB490,000, as compared with a loss of approximately RMB2,324,000 for the year ended 31 December 2023. This amount represents the loss of the Company's non-wholly owned subsidiaries.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the year ended 31 December 2024 was approximately RMB45,383,000 whilst loss attributable to owners of the Company for the year ended 31 December 2023 was approximately RMB43,979,000, representing an increase of loss of approximately RMB1,404,000.

The reason of the increase in loss was mainly attributable to: (1) the increase in costs and expenses during the Reporting Period; and (2) the impairment losses of trade receivables.

Total comprehensive expense attributable to owners of the Company for the year ended 31 December 2024 was approximately RMB49,136,000 whilst total comprehensive expense for the year ended 31 December 2023 was approximately RMB54,410,000, representing a decrease of approximately RMB5,274,000.

Inventory Analysis

The table below sets out the information on our inventory for the years ended 31 December 2024 and 2023:

	Year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Raw materials	**7,192**	**5.03**	10,618	5.53
Work-in-progress	**6,133**	**4.29**	18,923	9.85
Finished goods	**129,757**	**90.68**	162,558	84.62
	143,082	**100**	192,099	100

The Group's inventory balances decreased from approximately RMB192,099,000 as at 31 December 2023 to approximately RMB143,082,000 as at 31 December 2024.

Our average inventory turnover days decreased from approximately 253 days for the year ended 31 December 2023 to approximately 211 days for the year ended 31 December 2024. The decrease was due to further management optimisation as a result of increased sales of main products during the Reporting Period.

Analysis on Trade Receivables

As at 31 December 2023 and 2024, our trade receivables (net of allowance) amounted to approximately RMB306,613,000 and approximately RMB380,413,000, respectively. Trade receivables has also increased with the increase in sales of the Company.

The table below sets forth the ageing analysis of our trade receivables by date of delivery of goods as of 31 December 2024 and 2023:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Net amount		Net amount	
	RMB'000	*%*	*RMB'000*	*%*
0 to 90 days	**215,345**	**56.61**	173,387	56.55
91 days to 180 days	**38,094**	**10.01**	28,799	9.39
181 days to 365 days	**88,850**	**23.36**	44,495	14.51
After 1 year but within 2 years	**26,216**	**6.89**	43,256	14.11
After 2 years but within 3 years	**11,908**	**3.13**	16,676	5.44
Total	**380,413**	**100**	306,613	100

Our key product, namely the electrical DC product series, is being supplied to, among others, power generation plants and power grid companies. Sales are recognised upon product delivery which may be before the date when the trade receivables are due for payment. Our customers are only required to pay us the purchase price pursuant to the terms of the sales contracts. In respect of sale our electrical DC products, we may require the payment of a deposit of 10% of the total contract sum to be paid after signing the contract, and 80% of the contract sum to be paid by the customer after our products have been delivered and satisfactorily installed and tested. It is normally stipulated in the contract that the balance of 10% will be withheld, being the retention money as a form of product performance surety, and will be paid by the customer to us between 12 to 18 months after on-site installation and testing for the equipment.

We may grant an average credit period of 90 days from the above installment payment due dates (including the payments of deposit, the payments due after testing and the payments of retention money).

We believe that the longer trade receivables turnover days and the high proportion of overdue trade receivables were mainly due to (1) the fact that some of our customers in the power generation or transmission sectors settle the amounts payable to their suppliers, including us, after the completion of the construction of their whole power generation units or transforming stations; and (2) increase in the trade receivables, as a result of increase in revenue.

Whilst we believe it is a special nature of the power electronic market that equipment suppliers will face a relatively long trade receivables turnover, we will continue to monitor, control and speed up the collection of our trade receivables by closely liaising with our customers and monitoring the progress of their projects.

For the year ended 31 December 2024, we made an impairment loss on trade receivables of approximately RMB20,339,000 (2023: approximately RMB25,991,000).

Analysis on Trade and Bills Payables

As at 31 December 2023 and 2024, our trade and bills payables amounted to approximately RMB215,509,000 (comprising trade payables of approximately RMB170,859,000 and bills payables of approximately RMB44,650,000) and approximately RMB155,765,000 (comprising trade payables of approximately RMB106,527,000 and bills payables of approximately RMB49,238,000, respectively. Trade and bills payables slightly decreased. For the years ended 31 December 2023 and 2024, our trade and bills payable turnover days were approximately 250 days and approximately 207 days, respectively.

The table below sets out the ageing analysis of our trade payables as of 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**121,242**	132,158
91 days to 180 days	**21,368**	46,770
181 days to 365 days	**4,800**	20,075
After 1 year but within 2 years	**7,953**	15,590
After 2 years but within 3 years	**402**	916
	155,765	215,509

Bank and Other Borrowings

The following table sets out our bank and other borrowings as at 31 December 2024 and 2023.

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	***Interest rates***	*RMB'000*	*Interest rates*
Current				
Bank borrowings	**150,800**	**3.85% to 4.5%**	93,886	4.0% to 4.45%
Other borrowings	**5,000**	**4.5% to 7.92%**	11,555	4.5% to 7.92%
Non-current				
Bank borrowings	**53,968**	**5.43%**	51,108	5.43%
	209,768		156,549	

As at 31 December 2024, total bank borrowings and other borrowings amounted to approximately RMB209,768,000 (as at 31 December 2023: approximately RMB156,549,000), among which approximately RMB209,768,000 were secured loans (as at 31 December 2023: approximately RMB156,549,000) and none of them were unsecured loans (as at 31 December 2023: nil). Bank borrowings as at 31 December 2024 were subject to the floating interest rates ranging from 3.85% to 7.92% per annum (as at 31 December 2023: from 4.00% to 7.92% per annum).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Use of net proceeds from subscription

On 18 October 2022 (after trading hours), the Company entered into the subscription agreement (the "Subscription Agreement") with 唐山國控科創有限公司 (Tangshan Guokong Science and Technology Limited*) ("Tangshan Guokong Science and Technology"), the parent company of Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited (唐山國控科技創新投資集團有限公司) (the "Offeror"), a company incorporated in Hong Kong with limited liability, to subscribe for 566,970,000 new ordinary Shares (the "Subscription Shares"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Tangshan Guokong Science and Technology has conditionally agreed to subscribe the Subscription Shares at HK$0.34 per Subscription Share (the "Subscription Price") for a total consideration of HK$192,769,800 (the "Subscription"). The aggregate nominal value of the Subscription Shares is HK$5,669,700. The market price of the Shares of the Company is HK$0.33 per Share as quoted on the Stock Exchange on 18 October 2022, being the date of the Subscription Agreement. The net issue price per Subscription Share will be approximately HK$0.332 per Subscription Share.

Reasons for the Subscription

In order to seize the opportunities under the PRC national strategy and achieve repaid growth, the Company has to seek financial and market resources during the process of its business expansion. It was considered that the Subscription will expand the Company's shareholder base, and, as a result of which, to further strengthening the market's confidence in the development of the Company in the long run. The date of completion is 11 May 2023 and the net proceeds from the Subscription, after deducting all relevant costs and expenses of the Subscription are approximately HK$188.29 million, and were utilized as follows:

Objective	Percentage of the total amount	Net proceeds *HK$ million*	Utilised amount as at 31 December 2023 *HK$ million*	Utilised amount as of 31 December 2024 *HK$ million*	Unutilised net proceeds as of 31 December 2024 *HK$ million*	Expected time period of the balance to be fully utilized
Investments in the expansion of the charging services or electric vehicles business	50%	94.14	–	42.44	51.70	By the end of 2025
Investments in the expansion of the charging equipment for electric vehicles business	40%	75.32	24.11	75.32	–	
General working capital of the Group	10%	18.83	12.90	18.83	–	
Total	100%	188.29	37.01	136.59	51.70	

Save as disclosed above, there has been no change in the capital structure of the Group during the year ended 31 December 2024. The capital of the Group only comprises ordinary shares.

As at 31 December 2024, the total equity of the Group amounted to approximately RMB569,011,000 (as at 31 December 2023: approximately RMB618,637,000), the Group's current assets were approximately RMB798,874,000 (as at 31 December 2023: approximately RMB853,739,000) and current liabilities were approximately RMB386,403,000 (as at 31 December 2023: approximately RMB394,858,000). As at 31 December 2024, the Group had bank balances and cash of approximately RMB133,861,000 (as at 31 December 2023: approximately RMB219,772,000), excluding restricted bank balances of approximately RMB56,874,000 (as at 31 December 2023: approximately RMB32,979,000). Our total assets less our total liabilities equals to our net assets, which was approximately RMB569,011,000 as at 31 December 2024 (as at 31 December 2023: approximately RMB618,637,000).

The Group finances its operations with internally generated cash flow and bank borrowings. As at 31 December 2024, the Group had aggregate amount of outstanding bank borrowings and other borrowings of approximately RMB209,768,000 (as at 31 December 2023: approximately RMB156,549,000).

The gearing ratio (i.e. borrowings divided by total assets x 100%) was approximately 20.55% as at 31 December 2024.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investment during the year ended 31 December 2024.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 16 May 2024, the Company entered into the equity transfer agreement (the "Equity Transfer Agreement") with the Chen Wenjia (陳文加) (the "Purchaser") and 珠海市金得拍賣有限公司 (Zhuhai Jinde Auction Co., Ltd.*) (as the auction agent), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire equity interest in Zhuhai Libo New Energy Technology Co., Ltd (indirect wholly owned subsidiary of the Company) at the consideration of RMB30.1 million (equivalent to approximately HK$33.1 million and the final bid price offered by the Purchaser during the auction) (the "Disposal").

Zhuhai Libo was holding the properties of two industrial buildings situated at 60 Shihua Road West, Zhuhai City, Guangdong Province, the PRC with an aggregate gross floor area of 6,870.21 sq.m.. Based on the valuation conducted by Guangdong Renhe Land Real Estate and Assets Evaluation Co., Ltd., the value of the properties was at the value of RMB27,660,988 as of 8 January 2024.

According to the Equity Transfer Agreement, the parties agreed that the mortgage loan of the properties of approximately RMB50,000,000 shall be repaid by the Company to the bank before the registration of change of shareholders of Zhuhai Libo. The parties also agreed that within 120 days from the date of the Equity Transfer Agreement, the Company shall repay all debts and release the mortgage loan, and ensure that Zhuhai Libo's equity interest is not subject to any liabilities before the change shareholding is proceeded. The Purchaser also agreed that the Company will continue to use the properties on a lease basis until the end of 2024.

Due to (i) the completion of the production facilities and office of the Group located in Tangjiawan Town, Zhuhai High-Tech Industrial Development Zone; and (ii) the new production facilities of the Group established in 2023 in Caofeidian Industrial District, Tangshan City, Hebei Province, the Board is of the view that the Disposal would help improve the overall management efficiency of the Group's business, optimize the resource allocation of the Group. The net proceeds to be received from the Disposal upon its completion is expected to increase the cash flow of the Company and therefore provide flexibility to the Company in identifying and participating in other investment should any suitable opportunity arise.

The gross proceeds from the disposal is RMB30.1 million (equivalent to approximately HK$33.1 million). The Group intends to apply the proceeds from the Disposal for general working capital purpose or any potential investments of the Group in the future.

Upon completion of the Disposal, the Company would cease to have any interest in Zhuhai Libo, and Zhuhai Libo would no longer be an indirect wholly-owned subsidiary of the Company. The financial results of Zhuhai Libo would cease to be recognised in the accounts of the Group.

For details, please refer to the announcements of the Company dated 26 April 2024 and 16 May 2024.

Completion of the Disposal took place in July 2024.

Save as disclosed above, during the year ended 31 December 2024, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2024 and the date of this announcement, the Group had no material contingent liability.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital expenditure contracted for but not provided in the consolidated financial statements of approximately RMB5,250,000 (as at 31 December 2023: approximately RMB9,170,000) in respect of investment capital.

Save as disclosed above, as at 31 December 2024 and the date of this announcement, the Group did not have other capital expenditure authorised but not contracted for in respect of investment, factory renovation and purchase of equipment.

PLEDGE OF ASSETS

The Group's leasehold land and buildings with carrying amounts of approximately RMB122,900,000 as at 31 December 2024 (as at 31 December 2023: approximately RMB130,638,000) were pledged to secure the bank borrowings and bank facilities.

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group had 441 employees in total (as at 31 December 2023: 442 employees). During the year ended 31 December 2024, total employees' remuneration amounted to approximately RMB66,920,000 (2023: approximately RMB61,230,000). The remuneration paid to our employees and Directors is based on experience, responsibility, workload and the time devoted to the Group.

The Group participates in various employees' benefit plans such as a retirement benefit scheme and medical insurance. The Group also makes contributions to the retirement fund in compliance in all material respects with the requirements of the laws and regulations of the jurisdictions where it operates.

All PRC-based employees are entitled to participate in a defined contribution basic pension insurance plan in the social security insurance operated by the Ministry of Labour and Social Security of the PRC, and the premium in respect of which is undertaken by the Group and the employees respectively based on percentages fixed by relevant PRC laws. The only obligation of the Group in the PRC with respect to the retirement scheme is the required contributions under the retirement scheme. The Group has no other legal constructive obligations to pay further contributions.

During the years ended 31 December 2023 and 2024, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 31 December 2023 and 2024, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

For the two years ended 31 December 2023 and 31 December 2024, the Group did not have any defined benefit plan.

SHARE OPTION SCHEME

The Company adopted the share option scheme on 8 May 2010 (the "2010 Share Option Scheme") and it has lapsed on 7 May 2020. On 18 December 2020, the Company adopted the 2020 Share Option Scheme (the "2020 Share Option Scheme", together with the 2010 Share Option Scheme, the "Share Option Schemes"). The purpose of the Share Option Schemes is to provide incentives to the eligible persons (including but not limited to employees, officers, agents, consultants or representatives of any members of the Group (including the executive or non-executive directors of any members of the Group)) for their contributions to the Company and to enable the Company to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group.

Details of the Share Option Schemes is set out in the section headed "Share Option Schemes" in the annual report of the Company.

FOREIGN EXCHANGE

The Group conducts its business primarily in the PRC with substantially all of its transactions denominated and settled in Renminbi. The Group's consolidated financial statements are expressed in Renminbi, whereas the dividends on the shares of the Company (the "Shares"), if any, will be paid in Hong Kong dollars. Thus, any fluctuation of Renminbi could affect the value of the shares.

During the Reporting Period, the Group recorded an exchange gain of approximately RMB185,000 (2023: exchange gain of approximately RMB6,605,000). Such foreign exchange gain arose as a result of the difference between the exchange rate for accounting purpose on the date of transaction and the exchange rate as at 31 December 2024. As at 31 December 2024, the Group did not have significant foreign exchange hedging.

The Group adopted a prudent approach toward its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the year ended 31 December 2024.

Our accounts department projects monthly cash receipts and plans for cash payments based on the data provided by our marketing management and supporting teams regarding the progress on the customers' projects and relevant payment plans. Subsequently, our accounts department plans for cash payments based on the projections.

The Group strives to reduce exposure to credit risk by performing on-going credit assessments on the financial conditions of its customers. Our sales representatives and other sales staff, together with our sales partners monitor timely as appropriate the development of our customers' projects and communicate with our customers regarding the settlement of our trade receivables.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting (the "AGM") of the Company will be held on Friday, 20 June 2025. A notice convening the AGM will be published and despatched to the shareholders of the Company (the "Shareholders") in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to attend and vote at the AGM, which is proposed to be held on Friday, 20 June 2025, the register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 June 2025.

CORPORATE GOVERNANCE

We are committed to ensuring high standards of corporate governance at all times and in all aspects of our operations. The Board believes that good corporate governance is an essential element in enhancing the confidence of current and potential shareholders, investors, employees, business partners and the community as a whole. The Board strives to adhere to the principles of corporate governance and has adopted corporate governance code provisions and practices to meet the relevant statutory and commercial standards by focusing on internal control, fair disclosure and accountability to all shareholders.

The Company has complied with all applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024 and there have been no material deviations from the Code Provision.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its model code regarding directors' securities transactions. Having made specific enquiry of all Directors, all the Directors confirm that they had complied with the required standards of the Model Code during the year ended 31 December 2024.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

AUDIT COMMITTEE

The Company has established the Audit Committee on 8 May 2010 with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Ms. Jiang Yan, Mr. Li Xiang Feng and Mr.Liu Wei. Ms. Jiang Yan is the chairman of the Audit Committee. The Audit Committee is responsible for, amongst others, reviewing and supervising the Group's financial reporting process as well as risk management and internal control system and providing advice and recommendations to the Board.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and the Group's internal controls and financial reporting matters, including the review of the audited final results of the Group for the year ended 31 December 2024.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2024. 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 this preliminary announcement have been agreed by the Group's auditor, Messrs. SHINEWING (HK) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 14 March 2025. The work performed by Messrs. SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no opinion or assurance conclusion has been expressed by Messrs. SHINEWING (HK) CPA Limited on the preliminary announcement.

IMPORTANT EVENT AFTER THE REPORTING PERIOD

Save as disclosed herein, no important events took place subsequent to 31 December 2024.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is published on the Company's website (http://www.titans.com.cn) and the Stock Exchange's website (http://www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 will be made available on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
China Titans Energy Technology Group Co., Limited
Gao Xia
Chairman

Hong Kong, 14 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Gao Xia, Mr. Li Xin Qing, Mr. Bi Jingfeng and Mr. An Wei, the non-executive Director of the Company is Mr. Tao Chen, and the independent non-executive Directors of the Company are Mr. Li Xiang Feng, Mr. Liu Wei and Ms. Jiang Yan.