Tailam Tech Construction Holdings Limited
泰林科建控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6193)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Tailam Tech Construction Holdings Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023.

The annual results of the Group for the year ended 31 December 2024 have been reviewed by the audit committee of the Company (the "**Audit Committee**") and the Board.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Revenue	3	**185,332**	245,031
Cost of sales	4	**(166,975)**	(211,939)
Gross profit		**18,357**	33,092
Selling and marketing expenses	4	**(3,460)**	(3,974)
Administrative expenses	4	**(30,749)**	(33,747)
Reversal of/(provision for) impairment losses on financial assets	4	**2,379**	(7,452)
Other income, other costs and other gains – net	5	**1,830**	1,132
Operating loss		**(11,643)**	(10,949)
Finance income		**286**	548
Finance costs		**(114)**	(1,393)
Finance income/(costs) – net	6	**172**	(845)
Loss before income tax		**(11,471)**	(11,794)
Income tax credit/(expense)	7	**451**	(5,843)
Loss for the year attributable to equity holders of the Company		**(11,020)**	(17,637)
Other comprehensive loss			
Item that may be reclassified to profit or loss			
– Currency translation differences		**(93)**	(1,061)
Total comprehensive loss for the year attributable to equity holders of the Company		**(11,113)**	(18,698)
Loss per share *(expressed in RMB per share)*			
– Basic and diluted	8	**(0.03)**	(0.04)

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**108,092**	120,368
Intangible assets		**282**	375
Deferred income tax assets		**2,903**	2,452
Financial assets at fair value through profit or loss	9	**15,578**	–
		126,855	123,195
Current assets			
Inventories		**17,985**	16,135
Trade and other receivables and prepayments	10	**108,021**	92,927
Financial assets at fair value through other comprehensive income		**10,299**	9,319
Financial assets at fair value through profit or loss	9	**1,721**	–
Restricted cash		**9,646**	3,742
Cash and cash equivalents		**6,003**	44,061
		153,675	166,184
Total assets		**280,530**	289,379
Equity			
Equity attributable to the Company's equity holders			
Share capital	11	**3,584**	3,584
Share premium	11	**153,337**	153,337
Other reserves	12	**(16,152)**	(16,059)
Retained earnings		**55,178**	66,198
Total equity		**195,947**	207,060

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Liabilities			
Non-current liabilities			
Lease liabilities		**–**	142
Deferred income tax liabilities		**5,000**	5,000
		5,000	5,142
Current liabilities			
Trade and other payables	13	**75,954**	68,645
Contract liabilities	3(b)	**1,108**	819
Current income tax liabilities		**2,382**	2,504
Borrowings		**–**	5,000
Lease liabilities		**139**	209
		79,583	77,177
Total liabilities		**84,583**	82,319
Total equity and liabilities		**280,530**	289,379

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Tailam Tech Construction Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 7 March 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of pre-stressed high-strength concrete piles (the "**PHC piles**"), ceramist concrete block and commercial concrete in the People's Republic of China (the "**PRC**").

The ultimate holding company of the Company is Apax Investment Holdings Limited ("**Apax Investment**"), which is beneficially owned as to 72.94% by Ms. Wong Han Yu Alice ("**Ms. Wong**") and as to 27.06% by Mr. Wong Chiu Wai. Apax Investment is controlled by Ms. Wong as Ms. Wong is the sole director of Apax Investment. Ms. Wong is the ultimate controlling shareholder of the Company.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 18 December 2019.

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. The consolidated financial statements were approved for issue by the board of directors of the Company on 28 March 2025.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities measured at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

Standards		**Effective for reporting periods beginning on or after**
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Non-current Liabilities With Covenants	1 January 2024
HKFRS 16 (Amendments)	Lease Liability in Sale and Leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published but are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards		**Effective for reporting periods beginning on or after**
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries Without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The Group derived its revenue from the transfer of goods at point in time of the following major products and services:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Sales of PHC piles	**115,594**	120,581
Sales of commercial concrete	**68,877**	115,013
Sales of ceramsite concrete block	**861**	9,437
	185,332	245,031

(b) Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
PHC piles	**520**	311
Commercial concrete	**550**	471
Ceramsite concrete block	**38**	37
	1,108	819

Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the respective years related to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**819**	1,832

(c) Accounting policies of revenue recognition

The Group manufactures and sells commercial concrete, PHC piles and ceramist concrete blocks in the market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4. EXPENSES BY NATURE

The total costs of costs of sales, other costs, selling and marketing expenses, administrative expenses and (reversal of)/provision for impairment losses on financial assets are set out below:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials and consumables used	**141,607**	180,908
Changes in inventories of finished goods	**953**	681
Employee benefit expenses	**15,211**	16,926
Depreciation of property, plant and equipment	**12,394**	13,755
Outsourcing labour costs	**9,332**	10,515
(Reversal of)/provision for impairment of trade receivables	**(2,379)**	7,452
Freight charges	**8,565**	6,760
Utilities	**4,212**	4,886
Travelling and entertainment expenses	**2,602**	3,065
Consulting fees	**1,651**	2,448
Expense relating to short term leases	**1,230**	1,092
Business tax and surcharges	**1,190**	1,498
Auditors' remuneration – audit services	**959**	1,150
(Reversal of)/provision for write-down of inventories	**(262)**	228
Amortisation charges	**156**	209
Others	**3,309**	5,539
	200,730	257,112

5. OTHER INCOME, OTHER COSTS AND OTHER GAINS – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income:		
– Rental income	**2,203**	–
– Value-added tax super deduction	**871**	–
– Government grants	**–**	64
	3,074	64
Other costs	**(1,925)**	–
Other gains – net:		
– Exchange gains – net	**256**	1,155
– Net fair value gains on financial assets at FVTPL *(Note 9)*	**114**	–
– Net losses on disposals of property, plant and equipment	**(64)**	(343)
– Others	**375**	256
	681	1,068
	1,830	1,132

There were no unfulfilled conditions or other contingencies related to these grants.

6. FINANCE INCOME/(COSTS) – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance income:		
– Interest income from bank deposits	**286**	548
Finance costs:		
– Interest expenses on bank borrowings	**(98)**	(1,377)
– Interest expense on leases	**(16)**	(16)
	(114)	(1,393)
Finance income/(costs) – net	**172**	(845)

7. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**–**	1,114
Deferred income tax		
– PRC corporate income tax	**(451)**	4,729
	(451)	5,843

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands and, is exempted from payment of Cayman Islands income tax.

The subsidiaries incorporated in British Virgin Islands under the International Business Companies Acts of the British Virgin Islands are exempted from payment of British Virgin Islands income tax.

Subsidiaries incorporated in Hong Kong are subject to income tax at the prevailing rates of 16.5% (2023: 16.5%). Hong Kong profits tax has not been provided as there is no estimated assessable profit arising in or derived from Hong Kong during the financial periods.

The PRC Corporate Income Tax ("**CIT**") is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes. The applicable corporate income tax rate for Mainland China subsidiaries is 25%, except for the subsidiary which is qualified as High and New technology Enterprise ("**HNTE**"). Tailam Technology (Jiangsu Nantong) Co., Ltd. obtained the qualification of HNTE in 2023, and the applicable income tax rate is 15% for HNTE.

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their eligible research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the "**Super Deduction**"). The additional tax deduction amount of the qualified research and development expenses has been increased from 150% to 175%, effective from 2018 to 2020, and further increased to 200%, particularly for manufacturing enterprise, effective since 2021, according to a new tax incentive policy promulgated by the State Tax Bureau of the PRC. The Group has considered the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits for the year ended 31 December 2024.

According to the CIT Law, starting from 1 January 2008, withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements under the tax treaty arrangement between the PRC and Hong Kong.

The Group provide for the deferred income tax liabilities on the unremitted earnings except for those amount expected to be reinvested. Unremitted earnings for which deferred income tax liabilities have not been recognised totalled RMB41,115,000 at 31 December 2024 (2023: RMB42,575,000). As at 31 December 2024, deferred income tax liabilities of RMB4,116,000 (2023: RMB4,258,000) have not been recognised for the withholding tax that would be payable on such unremitted earnings of certain subsidiary.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to loss of the group entities as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(11,471)**	(11,794)
Tax calculated at tax rates applicable to losses or profits of the respective subsidiaries	**(1,312)**	(1,404)
– Expenses not deductible for tax purposes	**273**	264
– Research and development expenditure super deduction	**(480)**	(572)
– Deferred tax not accounted for taxable losses	**1,031**	1,099
– Effect of withholding tax on certain unremitted profits of subsidiary in the PRC	**–**	5,000
– Effect of tax rate change on deferred income tax previously recognised	**–**	872
– Adjustments for income tax of prior year	**37**	584
	(451)	5,843

8. LOSS PER SHARE

Basic loss per share for the years ended 31 December 2023 and 2024 is calculated by dividing the loss of the Group attributable to the owners of the Company by the weighted average number of ordinary shares deemed to be in issue during the years.

	Year ended 31 December	
	2024	2023
Loss attributable to equity holders of the Company *(RMB'000)*	**(11,020)**	(17,637)
Weighted average number of shares in issue *(in thousands)*	**400,000**	400,000
Basic loss per share for loss attributable to shareholders of the Company during the year *(expressed in RMB per share)*	**(0.03)**	(0.04)

The Company did not have any potential ordinary shares outstanding during the year. Diluted loss per share is equal to basic loss per share.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Investment in unlisted equity securities	**15,578**	–
Current assets		
Investment in Hong Kong listed equity securities	**949**	–
Investment in Mainland China listed equity securities	**772**	–
	1,721	–
	17,299	–

During the year, the following gains were recognised in profit or loss:

	2024	2023
	RMB'000	*RMB'000*
Net fair value gains on financial assets at FVTPL recognised in other income, other costs and other gains – net *(Note 5)*	**114**	–

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(a)*		
– Third parties	**107,262**	93,745
Less: provision for impairment of trade receivables	**(13,119)**	(15,498)
	94,143	78,247
Other receivables		
– Other deposits	**1,449**	1,756
– Others	**333**	396
	1,782	2,152
Less: allowance for impairment of other receivables	**(81)**	(81)
	1,701	2,071
Prepayments for purchase of raw materials		
– Third parties	**12,177**	12,609
	108,021	92,927

(a) Trade receivables

Trade receivables arise from sales of goods and are denominated in RMB. Trade receivables in respect of sale of goods are settled in accordance with the terms stipulated in the sales contracts. The settlement method of trade receivables granted by the Group are generally divided into three categories:

(i) Monthly settlement based on an agreed percentage of goods delivered, and the remaining balance will be settled after the completion of the superstructure of the customer's project;

(ii) Settlement from a strategic customer when the goods cumulatively delivered exceed an agreed amount; and

(iii) Settlement based on the goods delivered.

An ageing analysis of trade receivables as at 31 December 2023 and 2024 based on sales occurrence date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**26,536**	10,800
1 month to 6 months	**41,906**	34,526
6 months to 1 year	**16,583**	24,796
1 year to 2 years	**14,961**	18,158
Over 2 years	**7,276**	5,465
	107,262	93,745

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the shared credit risk characteristics and the days past due of trade receivables to measure the expected credit losses. During the year, the expected credit loss rates are determined by the Group according to the provision matrix as follows:

	As at 31 December	
	2024	2023
Within 1 month	**2%**	2%
1 month to 6 months	**3%**	3%
6 months to 1 year	**9%**	8%
1 year to 2 years	**21%**	23%
Over 2 years	**43%**	100%

Movements in the provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**15,498**	8,046
(Reversal of)/provision for impairment recognised during the year	**(2,379)**	7,452
At the end of the year	**13,119**	15,498

(b) The carrying amounts of trade and other receivables and prepayments approximated their fair values as at the balance sheet date.

(c) Accounting policies of impairment of trade receivables and financial assets at FVOCI

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses practical expedients when estimating life time expected losses on trader receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding.

11. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital		Share premium	Total
	Shares	*HK$*	*RMB'000*	*RMB'000*	*RMB'000*
Authorised:					
As at 31 December 2024 and 2023	1,000,000,000	10,000,000			
Issued and fully paid:					
As at 1 January 2024 and 31 December 2024	400,000,000	4,000,000	3,584	153,337	156,921
As at 1 January 2023 and 31 December 2023	400,000,000	4,000,000	3,584	153,337	156,921

12. OTHER RESERVES

	Statutory reserves	Currency translation reserves	Other reserves	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	**15,753**	**(8,852)**	**(22,960)**	**(16,059)**
Currency translation differences	**–**	**(93)**	**–**	**(93)**
As at 31 December 2024	**15,753**	**(8,945)**	**(22,960)**	**(16,152)**
As at 1 January 2023	15,753	(7,791)	(22,960)	(14,998)
Currency translation differences	–	(1,061)	–	(1,061)
As at 31 December 2023	15,753	(8,852)	(22,960)	(16,059)

PRC statutory reserve

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Third parties	**61,746**	61,389
Notes payable	**9,163**	3,742
Accrued payroll	**1,292**	1,482
Other taxes payables	**919**	198
Other payables		
– Third parties	**1,893**	1,834
– Related parties	**941**	–
	75,954	68,645

An ageing analysis of trade payables as at 31 December 2023 and 2024 based on invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 month	**38,042**	17,317
1 month to 6 months	**12,189**	27,257
6 months to 1 year	**8,772**	14,144
1 year to 2 years	**2,046**	2,024
Over 2 years	**697**	647
	61,746	61,389

The carrying amounts of trade and other payables approximated their fair values as at the balance sheet date.

14. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2024 (2023: Nil).

On the board meeting of the Company held on 28 March 2025, the Board of Directors did not recommend to declare final dividend in respect of the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We manufacture and sell PHC piles (i.e., pre-stressed high-strength concrete pile, a subset of tubular pile), commercial concrete and ceramsite concrete block in the PRC. We have a production plant in Qidong City, Nantong, Jiangsu Province, the PRC.

Our PHC piles are mainly sold to customers under our own trademark and all the PHC piles, commercial concrete and ceramsite concrete block are primarily used in buildings and infrastructure projects. During the year ended 31 December 2024, our products were mainly sold to property developers and construction companies in Jiangsu Province.

During the year under review, the Company faced a series of challenges that significantly impacted our financial performance. The decline in sales was primarily driven by the economic slowdown in China, which led to a significant reduction in infrastructure investment and construction activity. Despite these adversities, we maintained a focus on operational efficiency and cost management, allowing us to navigate the tough market landscape. Our commitment to enhancing customer relations and improving product quality helped us retain a stable customer base even amid increasing industry pressures. As we progressed into the fourth quarter, our strategic initiatives began to bear fruit, and with signs of recovery emerging in the construction sector, our revenue rebounded.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately RMB59.7 million, or approximately 24.4%, from approximately RMB245.0 million for the year ended 31 December 2023 to approximately RMB185.3 million for the year ended 31 December 2024. The Group's revenue has been negatively impacted by challenging market conditions, particularly in the construction and infrastructure sectors. The prolonged market slowdown leading to delays in the pipelines and development progress of high-value projects, coupled with intensified industry competition, has affected the sales volumes of the Group's products.

Gross Profit

Our gross profit decreased by approximately RMB14.7 million, or approximately 44.4%, from approximately RMB33.1 million for the year ended 31 December 2023 to approximately RMB18.4 million for the year ended 31 December 2024. Our gross profit margin decreased from approximately 13.5% for the year ended 31 December 2023 to approximately 9.9% for the year ended 31 December 2024. Our gross profit margin decreased by approximately 3.6% as the increase in raw material costs, labour costs, and other operating expenses has negatively impacted the Group's profitability.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by approximately RMB0.5 million, or approximately 12.5%, from approximately RMB4.0 million for the year ended 31 December 2023 to approximately RMB3.5 million for the year ended 31 December 2024.

Administrative Expenses

Our administrative expenses decreased by approximately RMB3.0 million, or approximately 8.9%, from approximately RMB33.7 million for the year ended 31 December 2023 to approximately RMB30.7 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in staff costs, depreciation and consulting fee.

Annual Results

Our loss for the year ended 31 December 2024 decreased by approximately RMB6.6 million, or approximately 37.5%, from approximately RMB17.6 million for the year ended 31 December 2023 to approximately RMB11.0 million for the year ended 31 December 2024.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2024, the Group employed 49 full-time employees and 127 outsourced workers (2023: 58 full-time employees and 82 outsourced workers). The total staff costs incurred by the Group for the year ended 31 December 2024 were approximately RMB15.2 million (2023: approximately RMB16.9 million).

We generally recruit our employees through online recruitment platforms, and outsourced workers are provided to us by an employment agent. Our employees and outsourced workers are remunerated according to their job scope, responsibilities and performance. We pay our employees directly and we pay the employment agent for services rendered by the outsourced workers. Our employees and outsourced workers (indirectly through the employment agent) are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group provided employers' liability insurance including work injury and medical insurance to both our employees and the outsourced workers.

Share options may also be granted to eligible employees of the Group and other eligible participants.

Our employees and outsourced workers received different training depending on their respective department and the scope of works. The trainings are provided internally on a regular basis. Typically they are required to attend trainings relating to our quality control, environmental, health and workplace safety policies.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's overall funding and treasury activities are currently managed and controlled by the Directors. The Directors closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements.

The Group maintained cash and bank balances of approximately RMB6.0 million as at 31 December 2024 (2023: approximately RMB44.1 million).

As at 31 December 2024, the Group has no interest-bearing borrowings (2023: approximately RMB5.0 million). The Group closely monitors its interest rate exposure (if any) and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the year ended 31 December 2024. Gearing ratio is calculated based on total borrowings divided by the total equity as at 31 December 2024. As at 31 December 2024, our Group has no interest-bearing borrowings and hence the gearing ratio calculated as total borrowings divided by total equity, was nil (2023: 2.4%).

As at 31 December 2024, the current ratio (current assets/current liabilities) was 1.9 (2023: 2.2) and the net current assets amounted to approximately RMB74.1 million (2023: approximately RMB89.0 million).

The ageing analysis of trade payables and the profiles of borrowings are set out in notes to the consolidated financial statements of the 2024 annual report to be published by the company.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 18 January 2024, Shanghai Yuanxintai Investment Management Co., Ltd* (上海圓芯泰投資管理有限公司), an indirect wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Taizhou Jingyi Gelan Technology Co., Ltd* (台州精藝格蘭科技有限公司), an independent third party, to acquire 3,021,500 shares, representing 5% of the issued share capital of Zhejiang Erg Technology Joint Stock Co., Ltd. (浙江爾格科技股份有限公司) ("**Zhejiang Erg**") at a consideration of RMB15,107,500, which is principally engaged in the research and development, production and sales of cooling systems for renewable energy power generation, power generation and distribution and other devices. Further details are disclosed in the announcement of the Company dated 18 January 2024. The acquisition was completed on 29 January 2024.

As at 31 December 2024, the fair value of the Group's interest in Zhejiang Erg is approximately RMB15,578,000, representing approximately 5.54% of the Group's total assets. There is RMB470,000 unrealised gain recognised during the year. There is no any dividends received from the Group's investment in Zhejiang Erg during the year. The Group's investment strategy for significant investments is to identify investment opportunities with growth potential and risk-adjusted return for our shareholders, while also seeking opportunities for strategic cooperation. The future prospects of the Group's investment in Zhejiang Erg will depend on various factors, including but not limited to political, economic, financial, risk factors and market conditions that are specific to the industry in which Zhejiang Erg operates.

Save for the above, the Group did not have any other significant investments with a value of 5% or more of the Group's total assets, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2024.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any significant capital commitments in respect of acquisitions of property, plant and equipment (2023: Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

PLEDGE OF ASSETS

As at 31 December 2024, the Group's buildings of approximately RMB12,685,000 (2023: approximately RMB13,639,000) and land use rights of approximately RMB10,761,000 (2023: approximately RMB11,055,000) were pledged as collateral for the Group's banking facility.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have plans for material investment or capital assets as at the date of this announcement.

PROSPECTS

On 21 January 2025, Tailam Technology (Jiangsu Nantong) Co., Ltd.* (泰林科技(江蘇南通)有限公司), our indirect wholly-owned subsidiary ("**Jiangsu Tailam**") entered into a strategic cooperative agreement with three subsidiaries (the "**Conch Subsidiaries**") of Anhui Conch Cement Company Limited. This marks a significant milestone for our operations in the Shanghai region of China. Under this agreement, Jiangsu Tailam will have priority access to purchase cement products from the Conch Subsidiaries on terms equivalent to those of other regional operators, relieving cost pressures currently faced by the Group.

As the cement industry continues to navigate a dynamic market landscape characterized by fluctuating demand and increasing competition, partnering with a market leader like Conch Cement – recognized for its considerable advantages in resource possession, cost efficiencies, cutting-edge technology, and brand reputation – strategically positions us for continued success. The Board firmly believes that establishing partnerships can not only ensure a stable procurement channel for high-quality cement products but also achieve synergies. We are confident that this collaboration will effectively support our operational needs and growth objectives, paving the way for desirable business outcomes.

Additionally, with the commencement of major infrastructure projects near Nantong City, the demand for our products is expected to increase significantly. This surge in demand will provide us with new opportunities to expand our market share and enhance our operational capabilities. Leveraging our strategic partnership with the Conch Subsidiaries, we are well-positioned to capitalize on the anticipated growth in the region as we navigate headwinds in 2025 and beyond.

ENVIRONMENTAL PROTECTION

The Group is highly aware of the importance of environment protection and is committed to supporting environmental sustainability. Being a PHC piles, concrete and ceramsite concrete block manufacturer in the PRC, dust, waste water, noise and different sorts of pollutants are generated during our production processes.

The Group has not noted any material incompliance with all relevant laws and regulations in relation to its business, including air and noise pollution, discharge of waste and water, health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimise unnecessary waste. In addition, discussion on the Group's detailed environmental policies and performance are contained in the environmental, social and governance report of the Company for the year ended 31 December 2024 to be published by the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements and has compliance procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. The Group's operation is carried out in the PRC while the Company itself is incorporated in Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Cayman Islands and the PRC.

During the year ended 31 December 2024 and up to the date of this announcement, to the best knowledge of the Company, the Group has complied with relevant laws and regulations that have a significant impact on the business and operations of the Group, and there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company offers a fair and safe workplace, promotes diversity to our staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also devotes ongoing efforts in providing adequate training and development resources to the employees.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfies the needs and requirements of the customers. The Group has established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. We reinforce business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group. The list below is not exhaustive and there may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Market Risk

Market risk is the risk that affects the Group's profitability or its ability to meet business objectives and it arises from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest Rate Risk

The Group's interest rate risk arises from borrowings. All borrowings of the Group are at variable rates, which exposes the Group to cash flow interest rate risk. The Group closely monitors its interest rate exposure and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the year ended 31 December 2024.

Foreign Exchange Risk

Operations of the Group was mainly conducted in Renminbi and Hong Kong dollars ("**HK$**"). At 31 December 2024, the Group's major non-RMB denominated assets and liabilities included property, plant and equipment, cash and cash equivalents and other payables, which were denominated in HK$. Fluctuation of the exchange rate of RMB against HK$ could affect the Group's results of operations.

The Group currently does not have a foreign currency hedging policy, and manages our foreign currency risk by closely monitoring the movement of the relevant foreign currency rates.

The Directors do not consider the foreign exchange rate risks as material to the Group and therefore, did not carry out any financial instruments such as forward currency exchange contracts to hedge the risks.

Liquidity Risk

Liquidity risk is the uncertainty arising from the Group being unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the Group has the ability to finance its Group's operations and reduce the effects of fluctuation in cash flows.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The Group identifies and assesses key operational exposures regularly so that appropriate risk response can be taken. However, accidents may occur despite the fact that systems and procedures were set up for prevention, which may lead to financial loss, litigation or damage in reputation.

Investment Risk

Investment risk can be defined as the possibility of losses relative to the expected return on any particular investment. A key feature of investment framework to balance risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

Manpower and Retention Risk

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence to meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel based on factors such as market rates, responsibility, job complexity as well as the Group's performance. The Group has also adopted a share option scheme to recognize and reward the contribution of the employees to the growth and development of the Group.

CORPORATE GOVERNANCE

The Company's shares (the "**Shares**") have been listed on the Stock Exchange since 18 December 2019. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. Save as disclosed below under the section headed "Chairperson and Chief Executive Officer" of this announcement, the Company has complied with the code provisions as set out in the CG Code during the year ended 31 December 2024 (the "**Reporting Period**"). The Company will continue to review and enhance its corporate governance practices, and identify and formalise appropriate measures and policies, to ensure compliance with the CG Code.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairperson and the chief executive officer should be separate and should not be performed by the same individual. Ms. Wong Han Yu Alice is currently the Chairperson of our Board and the chief executive officer, who is responsible for overall strategic planning and business direction and management of the Group. Having considered the nature and extent of the Group's operations, Ms. Wong Han Yu Alice's in-depth knowledge and experience in the industry and familiarity with the operations of the Group, and the fact that all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering advice on independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Ms. Wong Han Yu Alice taking up both roles of the chairperson and chief executive officer. As such, the roles of the chairperson and chief executive officer of the Group are not separate pursuant to the requirement under code provision C.2.1 of the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee has three members comprising Mr. Lai Chun Yu (Chairman), Mr. Cui Yu Shu and Ms. Wong Siu Yin Rosella, all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

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 announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the reporting year. The work performed by PricewaterhouseCoopers 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 the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

As at the date of this announcement, the Board was not aware of any Shareholders who had waived or agreed to waive any dividends.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2024 which would materially affect the Group's and the Company's operating and financial performance as at the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the annual general meeting of the Company (the "**AGM**") to be held on Friday, 6 June 2025, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 2 June 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tailamgroup.com). The annual report of the Company for the year ended 31 December 2024 will be despatched to the Shareholders (upon request) and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Tailam Tech Construction Holdings Limited
Wong Han Yu Alice
Chairperson, executive Director and chief executive officer

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Ms. Wong Han Yu Alice (the chairperson and chief executive officer), Mr. Wong Chiu Wai and Ms. Jiang Yin Juan; the non-executive Director is Mr. Wong Leung Yau; and the independent non-executive Directors are Ms. Wong Siu Yin Rosella, Mr. Lai Chun Yu and Mr. Cui Yu Shu.

* *For identification purpose only*