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TK NEW ENERGY

Tonking New Energy Group Holdings Limited

同景新能源集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8326)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

Reference is made to the announcement of Tonking New Energy Group Holdings Limited (the “**Company**”) dated 20 June 2018 (the “**Results Announcement**”) in relation to the annual results of the Company and its subsidiaries for the year ended 31 March 2018. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Results Announcement.

The Company would like to clarify certain inadvertent typographical errors contained in the Results Announcement as follows (the relevant amendments have been underlined for easy reference):

1. On page 2 of the Results Announcement, the amount of Profit for the year ended 31 March 2018 was stated as “HK\$26,843,000”. The correct amount should be “HK\$21,969,000”.
2. On page 2 of the Results Announcement, the amount of Basic and diluted earnings per share attributable to ordinary equity holders of the Company for the year ended 31 March 2018 was stated as “HK\$0.0448 (2017: approximately HK\$0.0640)”. The correct amount should be “HK\$0.0257 (2017: approximately HK\$0.0320)”.

* for identification purpose only

3. On page 3:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2018

	<i>Notes</i>	2018 HK\$'000	2017 <i>HK\$'000</i>
REVENUE	<i>3</i>	907,651	834,970
Other income	<i>4</i>	<u>6,651</u>	11,115
Cost of food and beverage	<i>6</i>	(63,698)	(71,641)
Contract costs	<i>6</i>	(600,135)	(508,469)
Staff costs		(93,170)	(95,119)
Depreciation and amortisation		(16,353)	(11,238)
Property rentals and related expenses		(55,297)	(62,794)
Fuel and utility expenses		(4,780)	(5,382)
Administrative and other operating expenses		(47,100)	(47,132)
Finance costs	<i>5</i>	<u>(2,637)</u>	<u>(1,713)</u>
PROFIT BEFORE TAX	<i>6</i>	<u>31,132</u>	42,597
Income tax expense	<i>7</i>	<u>(9,163)</u>	<u>(16,673)</u>
PROFIT FOR THE YEAR		<u>21,969</u>	25,924
Attributable to:			
Owners of the Company		<u>21,006</u>	25,992
Non-controlling interests		<u>963</u>	<u>(68)</u>
		<u>21,969</u>	<u>25,924</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (HK cents) <u>(restated for 2017)</u>	<i>9</i>	<u>2.57</u>	<u>3.20</u>

4. On page 4:

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

For the year ended 31 March 2018

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>21,969</u>	25,924
OTHER COMPREHENSIVE INCOME/ (EXPENSE)		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>22,251</u>	<u>(7,948)</u>
Other comprehensive income/(expense), net of tax	<u>22,251</u>	<u>(7,948)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>44,220</u></u>	<u><u>17,976</u></u>
Attributable to:		
Owners of the Company	<u>41,351</u>	18,044
Non-controlling interests	<u>2,869</u>	<u>(68)</u>
	<u><u>44,220</u></u>	<u><u>17,976</u></u>

5. On page 10:

Year ended 31 March 2018	Renewable energy business HK\$'000	Restaurant operations HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	<u>685,947</u>	<u>221,704</u>	<u>907,651</u>
Segment result	<u>50,187</u>	<u>(6,722)</u>	<u>43,465</u>
<i>Reconciliation:</i>			
Finance costs			(2,637)
Corporate and other unallocated expenses			<u>(9,696)</u>
Profit before tax			<u>31,132</u>

6. On page 12:

Information about major customers

For the year ended 31 March 2018, revenue of approximately HK\$456,455,000 (2017: approximately HK\$425,712,000) from five (2017: two) customers in the renewable energy business segment contributing over 10% of the total revenue of the Group.

7. On page 13:

4. OTHER INCOME AND GAINS, NET

	2018 HK\$'000	2017 HK\$'000
Interest income	681	392
Forfeited income	–	6
Sponsorship income	–	52
Management income	1,920	1,005
Sales of electricity income	<u>3,777</u>	3,926
Service income	–	3,656
Others	<u>273</u>	2,078
	<u>6,651</u>	<u>11,115</u>

8. On page 14:

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of food and beverage	63,698	71,641
Amortisation of intangible assets	852	283
Auditors' remuneration	1,500	1,500
Depreciation	15,501	10,955
Lease payments under operating lease in respect of land and buildings:		
Minimum lease payments	<u>52,962</u>	59,995
Contingent rents	<u>574</u>	748
	<u>53,536</u>	<u>60,743</u>
Contract costs:		
Cost of construction materials and supplies	453,115	408,041
Subcontracting charges	<u>107,693</u>	<u>58,581</u>
<u>Labour cost</u>	<u>23,399</u>	<u>29,746</u>
Transportation	3,886	2,338
Machine and vehicle rental expenses	5,992	5,274
Other expenses	<u>6,050</u>	<u>4,489</u>
	<u>600,135</u>	<u>508,469</u>

9. On page 15:

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2017: 16.5%) during the year. Enterprise income tax is provided on the estimated taxable profits of the subsidiaries established in the PRC at a rate of 25% during the year.

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	199	23
Current tax – PRC		
Charge for the year	<u>8,964</u>	<u>16,650</u>
Total tax charge for the year	<u>9,163</u>	<u>16,673</u>

8. DIVIDENDS

During the year ended 31 March 2018, no dividends have been paid or declared by the Company (2017: nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	<u>21,006</u>	<u>25,992</u>
	2018 <i>'000</i>	2017 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>818,000</u>	<u>811,786</u>

For the years ended 31 March 2018 and 2017, the calculation of the basic earnings per share attributable to owners of the Company was based on (i) the profit attributable to owners of the Company and (ii) the weighted average number of ordinary shares in issue during the year as adjusted retrospectively to reflect the impact of bonus shares completed on 1 November 2017.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2018 and 2017.

10. On page 27 of the Results Announcement, the amount of profit attributable to owners of the company was stated as “HK\$25,880,000”. The correct amount should be “HK\$21,006,000”.
11. On page 31 of the Results Announcement, the amount of capital commitment was stated as “HK\$19,000”. The correct amount should be “HK\$65,000”.

The abovementioned clarifications do not affect any other information contained in the Results Announcement. Save as disclosed above, all other information in the Results Announcement shall remain unchanged.

By Order of the Board
Tonking New Energy Group Holdings Limited
Mr. Wu Jian Nong
*Executive Director, Chairman of the Board
and Chief Executive Officer*

Hong Kong, 21 June 2018

As at the date of this announcement, the executive Directors are Mr. Wu Jian Nong, Ms. Shen Meng Hong, Mr. Xu Shui Sheng and Mr. Zhou Jian Ming; and the independent non-executive Directors are Mr. Yuan Jiangang, Ms. Wang Xiaoxiong and Mr. Zhou Yuan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website (www.hkexnews.hk) for 7 days from the date of its posting and will also be published on the Company’s website (www.tonkinggroup.com.hk).