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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)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Tonking New Energy Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

ANNUAL RESULTS

The board (the “**Board**”) of Directors of the Company presents the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	3	1,029,921	766,108
Costs of sales		(875,513)	(669,599)
Gross profit		154,408	96,509
Other income and other gains or losses, net	4	6,888	3,996
Provision for credit loss allowances on trade receivables, net		(12,792)	(10,743)
Provision for credit loss allowances on other receivables		(3,977)	(1,148)
Provision for credit loss allowances on contract assets, net		(7,482)	(3,881)
Administrative and other operating expenses		(47,618)	(39,874)
Finance costs	5	(5,082)	(4,494)
Profit before income tax	6	84,345	40,365
Income tax expense	7	(11,495)	(6,497)
Profit for the year		72,850	33,868
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(1,167)	(16,364)
Other comprehensive loss for the year, net of income tax		(1,167)	(16,364)
Total comprehensive income for the year		71,683	17,504

		2025	2024
	Notes	HK\$'000	HK\$'000
Profit for the year attributable to:			
Owners of the Company		71,652	32,822
Non-controlling interests		1,198	1,046
		<u>72,850</u>	<u>33,868</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		70,495	17,464
Non-controlling interests		1,188	40
		<u>71,683</u>	<u>17,504</u>
(Restated)			
Earnings per share attributable to the owners of the Company			
– Basic and diluted (<i>HK cents</i>)	9	6.56	3.80

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		30,342	31,549
Right-of-use assets		2,981	4,204
Intangible assets		2,099	2,813
Deferred tax assets		9,467	5,071
		44,889	43,637
Current assets			
Inventories		11,024	19,375
Trade and bills receivables	10	291,314	274,598
Prepayments, deposits and other receivables		102,800	92,668
Contract assets		226,195	124,897
Amounts due from related parties		5,607	801
Restricted/pledged bank deposits		44,084	48,959
Cash and cash equivalents		80,672	44,318
		761,696	605,616
Current liabilities			
Trade and bills payables	11	234,520	180,429
Other payables and accruals		16,259	8,845
Matured promissory note		48,984	47,544
Contract liabilities		23,031	27,305
Amounts due to related parties		7,476	11,477
Bank and other borrowings		34,682	34,756
Lease liabilities		554	33
Tax payable		3,435	2,415
		368,941	312,804
Net current assets		392,755	292,812
Total assets less current liabilities		437,644	336,449

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Lease liabilities		2,167	1,980
Bank and other borrowings		<u>59,676</u>	<u>62,149</u>
		<u>61,843</u>	<u>64,129</u>
Net assets		<u>375,801</u>	<u>272,320</u>
Equity			
Share capital	12	12,270	8,180
Reserves		<u>344,927</u>	<u>245,720</u>
Equity attributable to the owners of the Company		357,197	253,900
Non-controlling interests		<u>18,604</u>	<u>18,420</u>
Total equity		<u>375,801</u>	<u>272,320</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Tonking New Energy Group Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 June 2013 under the Companies Law of the Cayman Islands. The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 21 November 2013.

The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, the Cayman Islands. The address of its principal place of business is Room 701, 7th Floor, Peninsula Centre, 67 Mody Road, Tsimshatsui, Kowloon, Hong Kong.

During the year ended 31 March 2025, Rise Triumph Limited, which is incorporated in the British Virgin Islands (the “**BVI**”) and is controlled by Mr. Wu Jian Nong (“**Mr. Wu**”), who is also an executive director and Chief Executive Officer of the Company, became the Company’s immediate and ultimate holding company.

The Company is an investment holding company. The principal activities of its subsidiaries are renewable energy business in the People's Republic of China (the “**PRC**”). The Company and its subsidiaries are collectively referred to as the “**Group**”.

The consolidated financial statements have been prepared in accordance with all HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance and of the Rules Governing the Listing Securities on GEM of Stock Exchange (the “**GEM Listing Rules**”).

The consolidated financial statements have been prepared on the historical cost basis, except for the bills receivables at fair value through other comprehensive income which are measured at fair values. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the consolidated financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards effective from 1 April 2024

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA, which are relevant and mandatorily effective for the period beginning on 1 April 2024 for the preparation of the Group's consolidated financial statements:

Amendments to HKAS 1	Classification of liabilities as current or non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current liabilities with covenants
Amendments to HKFRS16	Lease liability in a sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and 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 Group has applied the amendments for the first time in current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	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

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit of loss and other comprehensive income and disclosures in the future financial statements. The Group is currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

3. SEGMENT INFORMATION AND REVENUE

For the purposes of assessing performance and allocating resources, the Group's operation is regarded as one reportable operating segment which is the renewable energy business segment. The renewable energy business segment engages in (i) provision of one-stop value added solution for photovoltaic power stations (EPC, maintenance and support, and testing); (ii) sales of the patented photovoltaic tracking mounting bracket systems; and (iii) sales of electricity. The executive directors of the Company review the profit for the year and financial position of the Group as a whole. Accordingly, no segment information is presented.

Geographical information

The Group's revenue from external customers was derived solely from its operations in the PRC and all of the non-current assets of the Group were located in the PRC.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	260,771	–
Customer B	231,403	–
Customer C	166,267	–
Customer D	–	138,792
Customer E	–	88,566
Customer F	–	77,264
	766,108	211,247

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Provision of one-stop value added solution for photovoltaic power stations	776,417	211,247
Sales of the patented photovoltaic tracking mounting bracket systems	246,046	547,741
Sales of electricity	7,458	7,120
	1,029,921	766,108

4. OTHER INCOME AND OTHER GAINS OR LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Other income		
Government subsidies (<i>Note</i>)	5,306	2,948
Bank interest income	1,620	878
	<u>6,926</u>	<u>3,826</u>
Other gains or losses, net		
Gain/(loss) on disposal of property, plant and equipment	27	(38)
Gain on disposal of right-of-use assets	96	–
Foreign exchange gain/(loss)	34	(102)
Others	(195)	310
	<u>(38)</u>	<u>170</u>
	<u>6,888</u>	<u>3,996</u>

Note: During the years ended 31 March 2025 and 2024, the Group received the government subsidies which were granted to encourage renewable energy business development in the PRC. There are no unfulfilled conditions or other contingencies attached to these subsidies for both years.

5. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expense on bank and other borrowings	3,508	2,932
Interest expense on promissory note	1,440	1,440
Interest expense on lease liabilities	134	122
	<u>5,082</u>	<u>4,494</u>

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
Directors' remuneration	2,977	2,314
Other staff costs		
– Salaries, wages, fees and other benefits	28,032	18,888
– Retirement benefit scheme contributions	3,417	2,599
	<u>31,449</u>	<u>21,487</u>
Auditor's remuneration	750	700
Amortisation of intangible assets	783	774
Depreciation of:		
– Property, plant and equipment	3,317	2,785
– Right-of-use assets	673	423
Short-term leases expenses		
– Premises	12	12
– Machinery, motor vehicles and other equipment	4,062	2,099
Cost of inventories sold recognised as expenses	199,982	457,240
Cost of materials used for construction contracts	364,196	86,209
Sub-contracting fees included in costs of sales	243,731	123,025
Tendering service fee	4,764	6,151
Research and development expenditure	15,239	11,669
	<u>15,239</u>	<u>11,669</u>

7. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
The PRC Enterprise Income Tax		
– Current year	15,925	8,553
– Under-provision in prior year	–	135
	<u>15,925</u>	<u>8,688</u>
Deferred tax	(4,430)	(2,191)
	<u>11,495</u>	<u>6,497</u>

8. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been declared or proposed since the end of the reporting period (2024: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

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

	2025	2024
Profit		
Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share (<i>in HK\$'000</i>)	71,652	32,822
Number of shares		(Restated)
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,091,985,207	863,982,249

The basic earnings per share for the years ended 31 March 2025 and 2024 have been adjusted to reflect the bonus element in rights issue of shares that took place on 23 August 2024. The basic earnings per share for the years ended 31 March 2025 also considered the shares held for share award scheme purchased in October 2024 and December 2024.

There were no potential ordinary shares in issue for the year ended 31 March 2025 (2024: Nil).

10. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables, gross	272,133	271,728
Less: Provision for credit loss allowances on trade receivables	(32,084)	(19,394)
Trade receivables, net	240,049	252,334
Bills receivables	51,265	22,264
Total trade and bills receivables, net	291,314	274,598

As at 1 April 2023, gross trade receivables from contracts with customers amounted to approximately HK\$176,054,000.

The Group granted credit periods from 30 to 180 days (2024: 30 to 90 days) to customers for sales of the patented photovoltaic tracking mounting bracket systems and provision of one-stop value added solution for photovoltaic power stations, while no credit period was granted to the state-owned grid companies in relation to sales of electricity (2024: Nil). The Group does not hold any collateral in relation to these receivables.

Included in the Group's trade receivables were tariff subsidy receivables amounting to approximately Renminbi ("RMB")15,033,000 (equivalent to approximately HK\$16,290,000) (2024: RMB13,312,000 (equivalent to approximately HK\$14,432,000)) which represented the government subsidies on renewable energy projects to be received from the state-owned grid companies. The tariff subsidy receivables will be settled upon the Ministry of Finance's (the "MoF") allocation of the national renewable energy fund to the state-owned grid companies. The MoF does not set out a rigid timetable for the settlement of tariff subsidy receivables. In the opinion of the directors, given the collection of tariff subsidy receivables is well supported by the government policy, all tariff subsidy receivables were expected to be fully recoverable. As the collection of tariff subsidy receivables is expected in the normal operating cycle, they are classified as current assets. The Group received tariff subsidies of approximately RMB6,107,000 (equivalent to approximately HK\$6,665,000) during the year ended 31 March 2025 (2024: RMB6,097,000 (equivalent to approximately HK\$6,672,000)).

Included in trade receivables is an amount of approximately HK\$12,639,000 (2024: HK\$94,038,000), which was unbilled and has been classified under '0–30 days' in the below ageing analysis. The ageing analysis of trade and bills receivables, net of provision for credit loss allowances, by invoice date at year end is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	52,184	103,071
31–90 days	93,766	69,296
91–180 days	69,279	44,997
181–365 days	46,342	18,766
Over 365 days	29,743	38,468
	<u>291,314</u>	<u>274,598</u>

11. TRADE AND BILLS PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	192,750	172,505
Bills payables	41,770	7,924
	<u>234,520</u>	<u>180,429</u>

Included in trade payable is an amount of approximately HK\$20,454,000 (2024: HK\$35,128,000), which was unbilled and has been classified under '0–30 days' in the below ageing analysis. An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	93,008	108,926
31–90 days	94,246	33,074
91–180 days	42,182	22,320
181–365 days	3,358	10,987
Over 365 days	1,726	5,122
	<u>234,520</u>	<u>180,429</u>

The trade payables are non-interest-bearing and generally have payment terms of 30 to 90 days (2024: 30 to 90 days).

12. SHARE CAPITAL

	Number of ordinary share	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid		
At 1 April 2023, 31 March 2024 and 1 April 2024	818,000,000	8,180
Share issued upon completion of Rights Issue (<i>Note</i>)	<u>409,000,000</u>	<u>4,090</u>
At 31 March 2025	<u>1,227,000,000</u>	<u>12,270</u>

Note: On 2 July 2024, the Company proposed to raise gross proceeds of up to approximately HK\$40.9 million by way of the issue of a maximum of 409,000,000 rights shares, at the subscription price of HK\$0.1 per rights share on the basis of one (1) rights share for every two (2) existing shares held on 23 August 2024. Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$40.9 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$39.8 million, and amounts of HK\$4,090,000 and HK\$35,710,000 are credited to the Company's equity under share capital and share premium respectively.

BUSINESS REVIEW AND FUTURE PROSPECTS

Renewable Energy Business

According to the Group's development needs, it has adjusted its renewable energy business by focusing on two major operations, namely, provision of one-stop value-added solutions (EPC, maintenance and support, and testing) for photovoltaic power stations and sale of patented photovoltaic tracking mounting bracket systems.

In 2024, global newly installed capacity for photovoltaic power reached 530 GW, representing a year-on-year increase of 35.9%. In China, newly installed capacity was 277.57 GW, representing a year-on-year increase of 28.3%, accounting for 40% of the global total. With the rapid development of the industry and the advent of the era of parity, the photovoltaic field has entered a stage of development that emphasizes safety and stability. At the same time, as land resources are increasingly scarce, the efficient use of land resources has also become the development goal of the industry. The Group is committed to promoting the healthy development of the photovoltaic industry, with the development direction of improving product performance, reducing the cost of electricity, and advancing grid parity.

Based on the accumulated advantages of providing one-stop solutions (EPC, maintenance support and operation) for photovoltaic power plants, combined with big data analysis technology, AI control technology, wireless communication technology of LOAR/Zigbee, the Group is committed to building a digital and intelligent photovoltaic tracking control platform, which enables to achieve cost-efficiency and power generation enhancement, while achieving intelligent and unmanned management of photovoltaic power plants, so as to improve the competitiveness of the Company's products.

In order to stabilize the Group's market share in bracket products and maintain the market competitiveness of the products, the Group has developed anti-interference technology of high-density wireless communication on the same frequency band with safety and stability as the breakthrough point through professional calculation software such as PVsyst, Ansys and Sap2000 and finite element analysis, while continuously improving its technology and advancement. This technology allows three hosts within a 5-kilometer radius to operate using the same frequency band without interference, with each host capable of supporting 200 wireless communication tracking controllers. We have conducted in-depth research on the application of basalt fiber composite materials, and applied them to offshore floating brackets in view of their low-density and highly corrosion-resistant properties. For the existing adaptable steel cable brackets, we have established a project research group in postdoctoral workstation to digitally analyze and research wind-resistance and stabilization system, so as to enhance wind-resistance and stabilization performance, ensuring safety and reliability for wide-span, multi-span and high headroom application scenarios.

Since 1 June 2025, China has ended its era of fixed tariffs for photovoltaic power stations. Under the new trading mechanism, electricity prices are influenced by supply-demand dynamics and time-of-use factors. To maximize returns, photovoltaic power stations must flexibly adjust their output of power generation. In this context, tracking brackets, which can dynamically adjust the tilt angle of photovoltaic modules, are becoming new choices for more and more enterprises. To rapidly respond to market demand, the Group makes efforts to develop photovoltaic multi-point electrical linkage tracking brackets. The core value lies in optimizing power generation yield and cost of electricity. It uses multi-point drive and damping system to address wind resistance challenges, and employs terrain-adaptive algorithms to increase power generation by over 12%.

As the proportion of photovoltaic power generation grows and the grid regulation capacity is insufficient, and facing the problem of insufficient reliability and flexibility of distributed new energy, the Group has developed new electrochemical energy storage system integrated with compressed air energy storage, which solves the problems of market mechanism, grid access, regulation optimization and maintenance coordination of flexible resources or subjects to solve the difficulties in subsequent recycling.

The proposal of the targets of hitting peak carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060, forecasts the arrival of the new energy era with solar photovoltaic power generation as the main driving force. While constantly innovating, Tonking New Energy strives to bring the most visible benefits and the highest quality services to users. The Company has been adhering to the core values of “with Tonking New Energy, we create and share together” and the vision of “becoming an enterprise with global influence in the field of light energy”, and is committed to building green ecological intelligent photovoltaic power stations in the world, so that human beings can fully enjoy light energy!

FINANCIAL REVIEW

Revenue

For the financial year ended 31 March 2025, the Group recorded revenue of approximately HK\$1,029,921,000, representing an increase of approximately 34.4% compared with approximately HK\$766,108,000 of the corresponding period in 2024.

Costs of sales

The costs of sales for the year ended 31 March 2025 was approximately HK\$875,513,000 (2024: approximately HK\$669,599,000). The costs were derived from the renewable energy business which was mainly represented by the cost of materials and supplies, subcontracting charges, labour costs, transportation, machine and vehicle rental expenses and other expenses.

Total administrative and other operating expenses

Total administrative and other operating expenses increased by approximately 19.4% to approximately HK\$47,618,000 for the year ended 31 March 2025 from approximately HK\$39,874,000 for the corresponding period in 2024. The increase was in line with the increase in revenue during the year.

Net profit

For the year ended 31 March 2025, the Group recorded a profit attributable to the owners of the Company of approximately HK\$71,652,000 (2024: approximately HK\$32,822,000).

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Capital structure

As at 31 March 2025, the total number of issued shares of the Company is 1,227,000,000.

As at 31 March 2025, the share capital and equity attributable to the owners of the Company amounted to HK\$12,270,000 and approximately HK\$357,197,000 respectively (2024: HK\$8,180,000 and approximately HK\$253,900,000 respectively).

Cash position

As at 31 March 2025, the cash and cash equivalents and restricted/pledged bank deposits of the Group amounted to approximately HK\$80,672,000 (2024: approximately HK\$44,318,000) and HK\$44,084,000 (2024: approximately HK\$48,959,000), respectively, representing an increase of approximately 33.7% in aggregate as compared to that as at 31 March 2024.

Bank and other borrowings

As at 31 March 2025, the Group has total bank and other borrowings of approximately HK\$94,358,000 (2024: HK\$96,905,000). Current portion and non-current portion of bank and other borrowings amounted to approximately HK\$34,682,000 and HK\$59,676,000, respectively (2024: HK\$34,756,000 and HK\$62,149,000). The interest rate for the bank and other borrowing ranged from 2.9% to 4.5% (2024: 3.25%–4.5%) per annum.

Gearing ratio

As at 31 March 2025, the gearing ratio of the Group was approximately 29% (2024: approximately 37%). The gearing ratio is calculated based on the total debt at the end of the year divided by the total debt plus total equity at the end of the respective year. Total debt represents all liabilities excluding trade and bills payables, other payables and accruals, contract liabilities and tax payable. The increase was mainly due to rights issue completed and net profit for the year.

Exchange rate exposure

The Group is principally engaged in the renewable energy business in the PRC. As the renewable energy business segment of the Group has subsidiaries operating in the PRC, in which most of their transactions are denominated in Renminbi, the Group is exposed to foreign exchange fluctuations in Renminbi.

The Group has not entered into any foreign exchange contract as hedging measures. The Group manages its foreign currency risk against Renminbi by closely monitoring its movement and the management may consider using hedging derivative, to manage its foreign currency risk in future should the need arises.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

There were no other significant investments held, material acquisition or disposal of subsidiaries and affiliated companies, and other plans for material investments or capital assets during the year ended 31 March 2025.

Contingent Liabilities

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

Capital Commitment

As at 31 March 2025, the Group had no material capital commitments (2024: Nil).

Employees and Emolument Policies

The Group had 162 employees (including Directors) as at 31 March 2025 (2024: 128 employees). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses for the renewable energy businesses. The remuneration packages are subject to review on a regular basis.

The Directors and senior management receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses relating to our performance. The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market level of salaries paid by comparable companies, individual performance and achievement, and are approved by the Board.

The Group's remuneration to employees includes salaries and discretionary performance bonus. Duty meals are also provided to employees. The Group has adopted profit sharing schemes under which certain employees are benefited from it. The Group provides insurance coverage in respect of medical care and work injury to its employees. Rental allowance is also given to certain employees.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The Group's credit risk is primarily attributable to contract assets, trade and bills receivables, other receivables and refundable deposits, amounts due from related parties, restricted/pledged bank deposits and cash and cash equivalents.

Interest rate risk

The Group has no significant interest-bearing financial assets and liabilities with a floating interest rate.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, advances from related parties and internally generated funds. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. Our Group encourages environmental protection and promotes awareness towards environmental protection to the employees. Our Group adheres to the principle of Recycling and Reducing. Furthermore, it uses energy-saving appliances in the production process to save energy.

Our Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of our Group's businesses to move towards adhering the 3Rs – Reduce, Recycle and Reuse and enhance environmental sustainability.

The Group's Environmental, Social and Governance Report for the year ended 31 March 2025 is included in its annual report.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group maintains good relationship with its customers.

The Group also maintains a good relationship with its suppliers.

During the year ended 31 March 2025, there was no material dispute on salary payments and all accrued remunerations were settled on or before their respective due dates, as stipulated under individual employee's employment contract. The Group also ensures that all the employees are reasonably remunerated by regular review the policies on salary increment, promotion, bonus, allowances and all other related benefits.

KEY PERFORMANCE INDICATORS

The key financial performance indicators of the Group for the year ended 31 March 2025 is set out in the section headed "Five Years' Financial Summary" of the annual report.

VOLUNTARY CONDITIONAL CASH OFFERS

References are made to (i) the joint announcement issued by Rise Triumph Limited (the "**Offeror**", which is beneficially owned as to 96.0% by Mr. Wu Jian Nong, 3.0% by Mr. Xu Shui Sheng and 1.0% by Ms. Shen Meng Hong, all of them are directors of the Company) and the Company dated 11 April 2024 in respect of, among other things, the voluntary conditional cash offer by Astrum Capital Management Limited for and on behalf of the Offeror (the "**Offer**") to acquire all the issued shares of the Company (other than those shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it); (ii) the composite document jointly issued by the Offeror and the Company dated 26 April 2024; and (iii) the joint announcement issued by the Offeror and the Company dated 7 May 2024 in respect of, among other things, the Offer having become unconditional in all respects.

The Offer closed on 21 May 2024 and the Offeror had received valid acceptances in respect of 268,537,010 shares of the Company (the "**Acceptance Shares**"), representing approximately 32.8% of the issued share capital and voting rights of the Company. Immediately after the close of the Offer, taking into account the Acceptance Shares, together with the shares of the Company already owned, the Offeror and parties acting in concert with it hold, control or have direction over 499,991,010 Shares in aggregate (representing approximately 61.12% of all issued shares of the Company). As such, the Company has become a non-wholly-owned subsidiary of the Offeror.

SHARE AWARD SCHEME

The Group adopted a share award scheme (the "**Share Award Scheme**") on 24 September 2024 (the "**Adoption Date**"). A summary of the principal terms of the Share Award Scheme is set out below.

The purposes of the Share Award Scheme are to (i) provide incentives to eligible participants and reward their contributions; (ii) retain eligible participants to serve the Group for continuous operation and development of the Group; and (iii) attract suitable professional and experienced talents for further development of the Group.

Eligible Participants refers to (i) any full-time employees of any member company of the Group, including but not limited to directors, senior management of the Group, key operating team members and employees; and (ii) person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group (excluding placing agents, financial advisers, professional service providers such as auditors and valuers) (“**Service Providers**”).

At no time the maximum number of shares which may be awarded or the total number of Shares held by the trustee exceed 10% of the issued share capital of the Company as at the Adoption Date (i.e. 122,700,000 Shares). The maximum number of award shares which may be awarded to Service Providers shall not in aggregate exceed the sublimit of 5% of the issued share capital of the Company as at the Adoption Date (i.e. 61,350,000 Shares).

The maximum number of award shares or any share awards or share options which may be granted to a selected participant under the Share Award Scheme, or any other share scheme of the Company, in any twelve-month period shall not exceed 1% of the issued share capital of the Company from time to time.

For the purpose of granting award shares, the Company shall transfer required funds to the trust within reasonable time and instruct the trustee to purchase existing shares on the market at prevailing market price. The Board may specify terms or conditions in the instruction for the purchase of shares, including but not limited to the specific price or price range, maximum amount of funds for the purchase and/or maximum number of shares to be purchased. For avoidance of doubt, purchase of shares by the trustee on the market shall at all times be subject to the scheme cap.

The Board or the management committee may, at any time during the scheme period in its sole and absolute discretion, select any eligible participant to be a selected participant and make an award to such selected participant subject to any terms and conditions that the Board or the management committee may impose. The Company will issue a grant letter to each selective participant in the form as determined by the Board or its authorised person(s) from time to time, specifying the date of grant, method of receiving the award, value of the award and/or number of award shares under the award (including the basis for determining the number of award shares under the award), vesting criteria and conditions, vesting date and other details, terms and conditions that they consider necessary. The Company shall provide the trustee with a copy of the grant letter as soon as practicable after granting any award to the selected participant(s).

The Board or its authorised person(s) may from time to time determine the vesting criteria and conditions, or the period of awards to be vested in accordance with scheme rules during the scheme period and subject to compliance with all applicable laws, rules and regulations. Without unforeseen circumstances, the Board or its authorised person(s) shall send a vesting notice to the selected participants within such reasonable period as the trustee and the Board may agree from time to time before the vesting date. If a selected participant is unable to receive Share Awards due to legal or regulatory restrictions or any other restrictions or circumstances, the Board or its authorised person(s) shall direct and cause the trustee to sell the relevant award shares on the market at prevailing market price, and will pay to the selected participant in cash.

The Share Award Scheme shall remain valid and effective for a period of 10 years from 24 September 2024. Upon termination of the Share Award Scheme, no further award shares shall be granted. The provision of the Share Award Scheme shall in all other respects remain in full force and effect and the awards granted during the term of Share Award Scheme may continue to be valid and exercisable in accordance with their respective terms of Award.

From the adoption date of the Share Award Scheme to 31 March 2025, pursuant to the terms of the rules and trust deed of the Share Award Scheme, the trustee of the Share Award Scheme purchased a total of 62,075,000 issued shares on the market. During the year ended 31 March 2025 and as at the date of this announcement, no shares have been awarded under the Share Award Scheme since its adoption.

Please refer to announcements dated 24 September 2024 and 26 September 2024 for details.

RIGHTS ISSUE AND USE OF PROCEEDS

During the Period, the Company had raised an approximately HK\$39.8 million, net of expenses, by way of the rights issue of 409,000,000 rights shares to the qualifying shareholders at a subscription price of HK\$0.1 per rights share on the basis of one rights share for every two. The Company was intended to apply approximately HK\$14 million to repay of loan from related party, and HK\$21.9 million for the EPC business and the photovoltaic mounting and tracking systems business operating by Tonking New Energy Technology (Jiangshan) Limited, and general working capital of the Company.

As at 31 March 2025, the Company applied (i) HK\$14 million to repay of loan from related party; (ii) HK\$21.9 million for the EPC business and the photovoltaic mounting and tracking systems business operating by Tonking New Energy Technology (Jiangshan) Limited; and (iii) HK\$2.2 million for general working capital of the Company. The unutilised amount is expected to utilise in accordance with the timeline and purposes as stated in announcements and prospectus. Details of the rights issue were set out in the announcements of the Company dated 2 July 2024, 29 July 2024, 19 August 2024 and 29 August 2024 and prospectus dated 29 July 2024.

CORPORATE GOVERNANCE PRACTICES

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the GEM Listing Rules.

During the year ended 31 March 2025, the Company has complied with all the applicable code provisions of the Code contained in Appendix C1 to the GEM Listing Rules, except for the deviation from code provision C.2.1 as described below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wu Jian Nong, being the executive director of the Company since 1 October 2015, has been appointed as the Chief Executive Officer and Vice Chairman of the Company on 21 November 2015 and redesignated from vice chairman to chairman of the Board on 11 August 2016. Mr. Wu Jian Nong served as the chairman of the Board and chief executive officer of the Company with effect from 11 August 2016. The Company does not at present separate the roles of the chairman of the Board and chief executive officer of the Company. As Mr. Wu Jian Nong has extensive experience in the renewable energy industry and is responsible for the overall corporate strategies, planning and business development of the Company, the Board believes that vesting the roles of both chairman and chief executive officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies, notwithstanding that it is a deviation from code provision C.2.1 of the Code.

The Board believes that the balance of power and authority are adequately ensured by the operations of the Board which comprises experienced and high-calibre individuals, with three of them being independent non-executive Directors, and will continue to review the effectiveness of the corporate governance structure of the Group and assess whether changes, including the separation of the roles of chairman and chief executive officer, are necessary.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by directors during the year ended 31 March 2025.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors or any of their respective close associates has any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

All the independent non-executive Directors are delegated with the authority to review the non-competition confirmation given by, among others, Rise Triumph Limited, Mr. Wu Jian Nong, Mr. Xu Shui Sheng and Ms. Shen Meng Hong. The independent non-executive Directors were not aware of any non-compliance of the non-competition confirmation given by Rise Triumph Limited, Mr. Wu Jian Nong, Mr. Xu Shui Sheng and Ms. Shen Meng Hong during the year ended 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2025.

AUDIT COMMITTEE

Review by Audit Committee

The Company has established an audit committee with its terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraphs D.3.3 and D.3.7 of the Code. The audit committee has three members comprising the three independent non-executive Directors, namely Ms. Wang Xiaoxiong, Mr. Zhou Yuan and Mr. Shen Fuxin. The chairman of the audit committee is Ms. Wang Xiaoxiong. The audit committee of the Company has reviewed the audited annual results of the Group for the year ended 31 March 2025.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2025 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore 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 the HKICPA and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

PUBLICATION OF 2025 ANNUAL REPORT

The 2025 annual report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at <http://www.tonkinggroup.com.hk> and the “HKExnews” website of the Stock Exchange at <http://www.hkexnews.hk>.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates, lawyers and auditors for their support during the year.

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, 24 June 2025

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of The Stock Exchange of Hong Kong Limited’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).

* For identification purpose only