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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial Adviser to the Company



軟庫中華

SBI China Capital

SBI China Capital Hong Kong Securities Limited

Placing Agent to the Rights Issue



軟庫中華

SBI China Capital

SBI China Capital Financial Services Limited

Reference is made to the prospectus (the “**Prospectus**”) of Tonking New Energy Group Holdings Limited (the “**Company**”) dated 29 July 2024 and the announcement of the Company dated 19 August 2024 (the “**Announcement**”) in relation to the Rights Issue. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, as at 4:00 p.m. on Monday, 12 August 2024, being the Latest Time for Acceptance for the Rights Shares, a total of two valid acceptances and applications had been received for a total of 293,572,750 Rights Shares, representing approximately 71.8% of the total number of Rights Shares offered under the Rights Issue.

As at the Record Date, there were no Non-Qualifying Shareholders and the number of the NQS Unsold Rights Shares was nil. Based on the above results of valid acceptances and applications, the total number of Unsubscribed Rights Shares subject to the Compensatory Arrangements was 115,427,250 Rights Shares. The Company has, pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares in accordance with the terms of the Placing Agreement.

The Board wishes to announce that, as at 4:00 p.m. on Thursday, 22 August 2024, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, all the 115,427,250 Unsubscribed Rights Shares were successfully placed to not less than six placees pursuant to the terms of the Placing Agreement at the price of HK\$0.1 per Share, which is equal to the Subscription Price. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

Based on the acceptance results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares to be allotted and issued amounted to 409,000,000 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the placees has become a substantial shareholder of the Company (as defined under the GEM Listing Rules) upon completion of the Placing. As all the conditions with respect to the Rights Issue as set out in the Prospectus have been fulfilled, the Rights Issue became unconditional at 4:00 p.m.

on Friday, 23 August 2024. Accordingly, the gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) 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. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue in the following manner:

- (i) as to approximately HK\$14.0 million for repayment of loan from related party, repayment of which will enable the Group to reduce short-term liabilities and thus, improve its financial position. The following table sets out details of the outstanding loan to be repaid:

Lender	Repayment amount	Key term	Interest rate	Outstanding amount subsequent to the repayment
Rise Triumph Limited	HK\$14.0 million	Repayable on demand	N/A	HK\$0

- (ii) as to approximately HK\$21.9 million for the EPC business and the photovoltaic mounting and tracking systems materials business operating by Tonking New Energy Technology (Jiangshan) Limited, an indirect wholly-owned subsidiary of the Company. To cope with the increasing customer orders, Tonking New Energy Technology (Jiangshan) Limited requires additional funds to enhance its procurement capabilities while maintaining healthy cashflow; and
- (iii) the remaining balance of approximately HK\$3.9 million for general working capital of the Group including but not limited to salary expenses and other office and corporate expenses for the Group's ongoing businesses.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue and Placing:

Shareholders	Immediately before completion of the Rights Issue and Placing		Immediately after completion of the Rights Issue and Placing	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Rise Triumph Limited (<i>Note 1</i>)	492,917,010	60.26%	739,375,515	60.26%
Signkey Group Limited (<i>Note 2</i>)	7,074,000	0.86%	10,611,000	0.86%
Non-public Shareholders	499,991,010	61.12%	749,986,515	61.12%
Places	0	0.00%	115,427,250	9.41%
Other public Shareholders	318,008,990	38.88%	361,586,235	29.47%
Total	818,000,000	100.00%	1,227,000,000	100.00%

Notes:

1. Rise Triumph Limited, a company incorporated in the British Virgin Islands with limited liability, is 96%, 3% and 1% beneficially owned by Mr. Wu Jian Nong, Mr Xu Shui Sheng and Ms. Shen Meng Hong, respectively. Rise Triumph Limited is a member of parties acting in concert with Signkey Group Limited.
2. Signkey Group Limited, a company incorporated in the British Virgin Islands with limited liability, is 85.0%, 8.0%, 3.0%, 3.0% and 1.0% beneficially owned by Mr. Wu Jian Nong, Mr. Jiang Jianming, Mr. Xu Shui Sheng, Mr. Qiao Jianping and Ms. Shen Meng Hong, respectively. Signkey Group Limited is a member of parties acting in concert with Rise Triumph Limited.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risks on Friday, 30 August 2024.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 2 September 2024.

By Order of the Board
Tonking New Energy Group Holdings Limited
Mr. Wu Jian Nong
Chairman

Hong Kong, 29 August 2024

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.

* *For identification purposes only*