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## **JINTAI ENERGY HOLDINGS LIMITED**

**金泰能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2728)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the unaudited annual results announcement (the “**Unaudited Results Announcement**”) of Jintai Energy Holdings Limited (the “**Company**”) for the unaudited results for the year ended 31 December 2021 (the “**Unaudited Results**”) published on 31 March 2021 and the audited annual results announcement (the “**Audited Results Announcement**”) of the Company for the audited annual results for the year ended 31 December 2021 (the “**Audited Results**”) published on 24 May 2022. Capitalised terms used herein in this announcement, unless the context otherwise specified, shall have the same meanings as defined in the Audited Results Announcement.

Further to the information disclosed in the Audited Results Announcement, the Company wishes to provide to the shareholders of the Company and the potential investors with the following supplementary information in relation to the various material differences between Unaudited Results and Audited Results:

#### **Variances on Revenue and Cost of Sales**

The variances on the revenue and the costs of sales were mainly due to the following reasons. Firstly, the overstatement of each of the revenue and the cost of sales amounted to approximately HK\$41.7 million was mainly a consequence of certain inter-group transactions in the energy trading business of the existing subsidiaries remaining outstanding to eliminate subsequent to the date of Unaudited Results.

Secondly, the decrease in revenue amounted to approximately HK\$16.7 million was mainly due to the delay in assessment of revenue recognition from operation of digital trading parks since the escalation of the COVID-19 pandemic control quarantine measures and certain restrictions on travel and logistics in the PRC, which certain late adjustments on overstatement of revenues were provided after the assessment subsequent to the date of Unaudited Results Announcement as the wrong figures booked in the year ended 31 December 2021.

The overstatement of revenues would then be realised to profit or loss when the performance obligation in providing the services in the operation of digital trading parks was completed to the customers.

### **Variations on Disposal of Subsidiaries**

A turnaround from loss on disposal of subsidiaries of approximately HK\$35.6 million in the Unaudited Results to a gain on disposal of approximately HK\$11.6 million in the Audited Results was mainly related to the overstatement of the net assets value of the subsidiary disposed of during the year ended 31 December 2021, which was arisen from the mistaken classification of inter-group balances in the subsidiary disposed of and the corresponding elimination in the unaudited financial statements thereto. Due to the internal re-organisation process of the Group's structure at or around the year ended 31 December 2021, the other payable with former subsidiaries, in the aggregate sum of approximately HK\$47.2 million, was mistakenly classified as another inter-group subsidiaries and eliminated with inter-group balances in the unaudited financial statements.

### **Variations on Impairment Loss on Amount due from Former Subsidiaries**

Impairment loss on amount due from former subsidiaries of approximately HK\$23.5 million recognised in the Audited Results was mainly related to the late adjustment resulting in the assessment on recoverability of net assets from former subsidiaries at the date of disposal. The escalation of the COVID-19 pandemic control quarantine measures and certain restrictions on travel and logistics in the PRC caused the delay in the auditing process of financial statements of the Group for the year ended 31 December 2021 and the assessment of updated information which were made available to the auditors subsequent to the date of the Unaudited Results. The recoverability review of the net assets position of those former subsidiaries was revised and late adjustment of impairment loss was then provided and recognized in the profit and loss accounts.

### **Variations on Trade and Other Receivables and Prepayments, and Trade and Other Payables**

The variance in trade and other receivables and prepayments was mainly related to the late adjustment on (1) the re-classification of credit balance of loan from shareholders, in the amount of approximately HK\$59 million, which were included in the other receivables; (2) the overstatement of other receivables and other payables, in the amount of approximately HK\$176.2 million, due to the current account with disposed subsidiaries group, Shinhint Group, was not yet eliminated at the date of Unaudited Results Announcement. Subsequent to the date of Unaudited Results Announcement, the Group identified that the current account with the existing group companies was fully settled once the detailed accounting

information was obtained from the disposed subsidiaries group; and (3) the impairment loss on amount due from former subsidiaries, in the amount of approximately HK\$23.5 million, respectively.

The variance in trade and other payables was mainly related to the late adjustment on (1) re-classification of other tax payables, in the amount of approximately HK\$37.0 million, included in the income tax payable due to the different nature of tax in the PRC; (2) the overstatement of the accrued interest to the holders of convertible loan note, in the amount of approximately HK\$11.7 million, during the year ended 31 December 2021; (3) the wrong classification as another inter-group subsidiaries due to internal re-organisation process of the Group's structure for the year ended 31 December 2021, in the amount of HK\$47.2 million; and (4) the overstatement of other receivable and other payable, in the amount of approximately HK\$176.2 million, due to the current account with former subsidiaries group, Shinhint Group, was not yet eliminated at the date of Unaudited Results Announcement. Subsequent to the date of Unaudited Results Announcement, the Group identified that the current account with the existing group companies was fully settled once the detailed accounting information was obtained from the disposed subsidiaries group.

## **PRECAUTIONARY AND PREVENTIVE MEASURES**

In view of the inadvertent occurrence of the difference in the figures between the Unaudited Annual Results Announcement and the Audited Annual Results Announcement, as a precautionary measure to prevent any future occurrence of similar events again, the Company is identifying an external financial consultant to provide regular trainings and distribute materials on market updates (including but not limited to updates on accounting standards and financial reporting standards) to the staff and the Board. Further, the Directors also believe that the provision of such regular trainings and market updates to the employees would also be able to enhance their awareness and effectiveness when preparing the financial statements of the Company.

The above supplemental information does not affect information contained in the 2021 Audited Annual Results Announcement and save as disclosed in this announcement, all information in the 2021 Audited Annual Results Announcement remains unchanged.

By Order of the Board  
**Jintai Energy Holdings Limited**  
**Yuan Hongbing**

*Executive Director and Chief Executive Officer*

Hong Kong, 19 July 2022

*As at the date of this announcement, the Company has three executive Directors, namely Mr. Han Jinfeng (Chairman), Mr. Lin Caihuo and Mr. Yuan Hongbing (Chief Executive Officer), one non-executive Director, namely Mr. Chen Yunwei, and three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao.*