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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)

**UNAUDITED ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2021**

UNAUDITED CONSOLIDATED ANNUAL RESULTS

For the reasons explained below in the section headed “Review of Unaudited Annual Results” in this announcement, the audit process for the annual results of Jintai Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2021 has not been completed. The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company hereby announces the unaudited consolidated results of the Group for the year ended 31 December 2021, together with the audited comparative figures for the year ended 31 December 2020 as follows.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (audited)
Revenue	11,070,591	14,078,809
Cost of sales	<u>(10,622,835)</u>	<u>(13,845,832)</u>
Gross profit	447,756	232,977
Distribution expenses	(175,893)	(217,106)
Administrative expenses	(89,560)	(57,601)
Other income	10,545	27,321
Other losses — net	(170)	(6,589)
(Loss)/Gain on disposal of subsidiaries	(35,573)	803,140
Impairment loss on amount due from disposal group	—	(428,514)
Impairment loss on trade receivables	—	(1,873)
Reversal of impairment loss on prepayments	<u>—</u>	<u>7,481</u>
Operating profit	157,105	359,236
Finance income	241	166
Finance expenses	<u>(32,536)</u>	<u>(41,753)</u>
Finance expenses — net	<u>(32,295)</u>	<u>(41,587)</u>
Profit before income tax	124,810	317,649
Income tax expense	<u>(61,786)</u>	<u>(3,620)</u>
Profit for the year	<u>63,024</u>	<u>314,029</u>
Profit/(loss) for the year attributable to:		
Owners of the Company	94,291	321,803
Non-controlling interests	<u>(31,267)</u>	<u>(7,774)</u>
	<u>63,024</u>	<u>314,029</u>
Earnings per share		
— Basic (in cents)	2.12	8.01
— Diluted (in cents)	<u>2.09</u>	<u>7.36</u>

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 HK\$'000 (unaudited)	2020 HK\$'000 (audited)
Profit for the year	<u>63,024</u>	<u>314,029</u>
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
— Currency translation differences	16,540	32,782
— Reclassification of translation reserve upon disposal/deregistration of subsidiaries	<u>(2,664)</u>	<u>1,369</u>
Total comprehensive income for the year	<u><u>76,900</u></u>	<u><u>348,180</u></u>
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	108,886	356,399
Non-controlling interests	<u>(31,986)</u>	<u>(8,219)</u>
	<u><u>76,900</u></u>	<u><u>348,180</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	2021 HK\$'000 (unaudited)	2020 HK\$'000 (audited)
Assets		
Non-current assets		
Property, plant and equipment	2,068	19,277
Right-of-use assets	–	2,068
Goodwill	624	605
	<u>2,692</u>	<u>21,950</u>
Current assets		
Inventories	5,341	495,098
Trade and other receivables and prepayments	1,102,076	1,091,676
Cash and cash equivalents	55,675	116,714
	<u>1,163,092</u>	<u>1,703,488</u>
Total assets	<u>1,165,784</u>	<u>1,725,438</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	5,569	5,569
Accumulated losses	(333,508)	(386,554)
Other reserves	516,665	444,813
	<u>188,726</u>	<u>63,828</u>
Non-controlling interests	<u>(39,507)</u>	<u>(7,288)</u>
Total equity	<u>149,219</u>	<u>56,540</u>

	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (audited)
Liabilities		
Non-current liabilities		
Bond payables	29,718	27,144
Lease liabilities	1,082	1,638
	<u>30,800</u>	<u>28,782</u>
Current liabilities		
Trade and other payables	555,037	363,771
Contract liabilities	6,783	839,358
Lease liabilities	2,040	3,568
Current income tax liabilities	62,016	3,474
Convertible loan notes	110,060	110,878
Borrowings	249,829	319,067
	<u>985,765</u>	<u>1,640,116</u>
Net current assets	<u>177,327</u>	<u>63,372</u>
Total assets less current liabilities	<u>180,019</u>	<u>85,322</u>
Total liabilities	<u>1,016,565</u>	<u>1,668,898</u>
Total equity and liabilities	<u>1,165,784</u>	<u>1,725,438</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

Jintai Energy Holdings Limited (“**the Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business is Suite 2601–2603, 26/F, Shui On Centre, 6–8 Harbour Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (together, “**the Group**”) are engaged in energy trading, including mainly trading of fuel oil and kerosene, speaker manufacturing and trading business, operation of digital trading parks, kerosene transportation services, service business of customs declaration and trading of electronic products and oil drilling services. The Group has operations mainly in Hong Kong and the People’s Republic of China (“**PRC**”).

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These unaudited consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

These unaudited consolidated financial statements were approved for issue by the Board of Directors on 31 March 2022.

2. BASIS OF PREPARATION

Compliance with Hong Kong Financial Reporting Standards and Hong Kong Companies Ordinance

The unaudited consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”). In addition, the unaudited consolidated financial statements have not included all applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance (Cap. 622).

The preparation of the unaudited 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.

The unaudited financial statements have been prepared on a historical cost basis, except for investment properties, which are measured at fair value.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Changes in accounting policy and disclosures

(a) *Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institutes of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements.

HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2

The amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions and early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions for the first time and early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 in the current year retrospectively. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due to or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases (“HKFRS 16”) if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of these amendments has had no material impact on the Group’s financial positions and performance in the current and prior years as the Group opted not to apply the practical expedient, but applied the applicable requirements of HKFRS 16 to account for rent concessions provided by certain lessors.

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
HKFRS 17	Insurance Contracts and the related Amendments ³
HKFRS 3 (Amendments)	Reference to the Conceptual Framework ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies ³
HKAS 8 (Amendments)	Definition of Accounting Estimates ³
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
HKAS 16 (Amendments)	Property, Plant and Equipment — Proceeds before Intended Use ²
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract ²
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of these new and amendments to HKFRSs, which are not yet effective, will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

4. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings for the year attributable to owners of the Company used in calculating basic earnings per share	94,291	321,803
Effective interest on the liability components of convertible loan notes	<u>16,319</u>	<u>25,975</u>
Earnings for the year attributable to owners of the Company used in calculating diluted earnings per share	<u><u>110,610</u></u>	<u><u>347,778</u></u>
	Shares <i>'000</i>	Shares <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,455,021	4,018,851
Adjustment for potential dilutive effect in respect of: Convertible loan notes	<u>828,007</u>	<u>706,567</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>5,283,028</u></u>	<u><u>4,725,418</u></u>
Basic earnings per share (in HK cents per share)	2.12	8.01
Diluted earnings per share (in HK cents per share)	<u><u>2.09</u></u>	<u><u>7.36</u></u>

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue for the year ended 31 December 2021.

For the year ended 31 December 2021, the calculation of diluted earnings per share amount is based on the earnings attributable to owners of the Company, adjusted to reflect the effective interest on the liability components of convertible loan notes. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares assuming conversion of all convertible loan notes into ordinary shares at the beginning of the year ended 31 December 2021 or if later, the date of issue of the convertible loan notes.

The Company's share options have no dilutive effect on the earnings per share. Calculations are done to determine the number of shares that could have been acquired at fair value (determined by using average market price of the Company's shares for the year ended 31 December 2021) based on the monetary value of the subscription rights attached to outstanding share options.

5. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil).

6. EVENT OCCURRING AFTER THE REPORTING PERIOD

(a) Outbreak of COVID-19

After the end of the reporting period, the outbreak of novel coronavirus (COVID-19) continues to spread across the world.

The COVID-19 has impact on the business operations of the Group and the degree of the impact depends on the situation of the epidemic preventive measures and the duration of the epidemic.

In view of the risk management measures taken by the Group and the precautionary control and measures imposed by the PRC government, it believes that the COVID-19 pandemic will not have a material adverse impact on the Group's overall financial position and operating results as the Company mainly carries out its business in the PRC.

At present, the Group's operation is generally stable. The Group will continue to pay close attention to the development of, and the disruption to business and economic activities caused by the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group.

(b) Memorandum of understanding regarding possible formation of a joint venture

On 25 January 2022, the Company entered into a non-legally binding memorandum of understanding (the “**MoU**”) with Tacheng Xingta Energy Investment Exploitation Construction Company Limited (“**Tacheng Xingta**”), a company incorporated in the PRC.

According to the MoU, the Company and Tacheng Xingta intend to form a joint venture (the “**Joint Venture Company**”) to acquire the exploitation right of an oil sand mine in Tacheng, Xinjiang, PRC currently owned by Tacheng Xingta (the “**Oil Sand Mine**”).

Tacheng Xingta agreed to transfer the exploitation right of the Oil Sand Mine to the Joint Venture Company after its formation. The Company agreed to provide funding to the exploitation of the Oil Sand Mine after the exploitation right is transferred to the Joint Venture Company.

Both parties shall endeavour to enter into a legally binding joint venture agreement within 120 days from the date of the MoU. Tacheng Xingta shall not negotiate with other parties about the acquisition of exploitation right of the Oil Sand Mine or other cooperation arrangement during the term of the MoU.

The Company will make further announcement in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was principally engaged in seven businesses: (i) energy trading which comprised mainly the trading of fuel oil and kerosene; (ii) energy transportation services; (iii) operation of digital energy trading park; (iv) oil drilling services; (v) customs declaration services; (vi) speaker manufacturing and trading business; and (vii) trading of electronic products during the year ended 31 December 2021 (the “**Reporting Period**”).

The Group’s revenue for the Reporting Period was approximately HK\$11.07 billion (unaudited), representing a decrease of approximately 21.37% as compared to approximately HK\$14.08 billion for the corresponding period in 2020 (the “**Corresponding Period**”). The gross profit during the Reporting Period was approximately HK\$447.76 million (unaudited) (2020: approximately HK\$232.98 million), representing an increase of approximately HK\$214.78 million or approximately 92.19% as compared to the Corresponding Period.

The Group’s gross profit margin for the Reporting Period has increased to approximately 4.04% (unaudited) from approximately 1.65% for the Corresponding Period. The Company has recorded a profit attributable to the owners of the Company for the Reporting Period of approximately HK\$94.29 million (unaudited) (2020: approximately HK\$321.80 million).

PROSPECTS

Looking forward to 2022, the overall market conditions remain uncertain and continue to face new challenges due to the expected implementation of certain controls, restrictions and measures against the prolonged COVID-19 pandemic.

To cope with the challenging environment, the Group will continue to evaluate development opportunities to strengthen our competitive advantage through deployment of more resources for seizing this market potential and broaden its source of revenue so as to create value for shareholders. The Directors are confident to achieve sustainable growth and bring greater returns to our shareholders.

FINANCIAL REVIEW

Results of Operations

During the Reporting Period, the revenue of the Group decreased by 21.37% to approximately HK\$11.07 billion (unaudited) (2020: approximately HK\$14.08 billion). The decrease in revenue was mainly attributable to the decrease in trading volume of fuel oil during the Reporting Period.

During the Reporting Period, the Group recorded a net profit attributable to owners of the Company of approximately HK\$94.29 million (unaudited) (2020: net profit attributable to owners of the Company of approximately HK\$321.80 million), representing a decrease of approximately HK\$227.51 million. The decrease was mainly attributable to the fact that the Company has recorded a one-off gain on the disposal of subsidiaries of approximately HK\$374.63 million in 2020.

The operating costs during the Reporting Period were approximately HK\$265.45 million (unaudited) (2020: approximately HK\$274.71 million), representing a decrease of approximately 3.37% as compared with the corresponding period in 2020. The decrease in the operating costs was in line with the decrease in revenue for the Reporting Period.

The finance costs of the Group during the Reporting Period were approximately HK\$32.54 million (unaudited), representing a decrease of approximately 22.06% as compared with approximately HK\$41.75 million for the corresponding period in 2020.

For the Reporting Period, the basic gain per share was approximately HK2.12 cents (unaudited) (2020: basic gain per share of continuing operations of approximately HK8.01 cents), representing a decrease of approximately 73.53%.

The Board does not recommend the payment of a final dividend for the Reporting Period (2020: nil).

Liquidity and Financial Resources

As at 31 December 2021, the Group had cash and cash equivalents of approximately HK\$55.68 million (unaudited) (31 December 2020: approximately HK\$116.71 million), which were mainly denominated in Hong Kong dollars (HK\$), US dollars (US\$) and Renminbi (RMB).

As at 31 December 2021, the Group's net current assets were of approximately HK\$177.33 million (unaudited) (2020: net current assets were approximately HK\$63.37 million). The Group's current ratio as at 31 December 2021, being the ratio of total current assets to total current liabilities, was approximately 1.18 (unaudited) as compared to approximately 1.04 as at 31 December 2020.

The Group had bank and other borrowings of approximately HK\$249.83 million (unaudited) (2020: approximately HK\$319.07 million) which were denominated in Renminbi and Hong Kong dollars. The aforesaid bank and other borrowings was accounted for the current liabilities of the Group and repayable within one year.

As at 31 December 2021, the carrying amount of the principal and the interest payables of the issued convertible notes of the Group was approximately HK\$110.06 million (unaudited) (2020: approximately HK\$110.88 million).

The Group had issued bonds in the principal amount of RMB23,481,678.65 as consideration for the acquisition of entire interest of Linjin Shuntong in August 2020. As at 31 December 2021, the carrying amount of bonds was approximately HK\$29.72 million (unaudited) (2020: HK\$27.14 million). The bonds bear interest at 5% per annum, payable on maturity date and the maturity date is 23 October 2023.

Capital Structure and Gearing Ratio

As at 31 December 2021, the total issued shares of the Company was 4,455,020,888 shares.

As at 31 December 2021, the share capital and equity attributable to owners of the Company amounted to approximately HK\$5.57 million (unaudited) and approximately HK\$188.73 million (unaudited) respectively (2020: approximately HK\$5.57 million and approximately HK\$63.83 million respectively).

As at 31 December 2021, the Group repaid its debts mainly through recurring cash flows generated from its operations and other means of financing. The gearing ratio of the Group was 191% (unaudited) (as at 31 December 2020: 674%), which was computed by dividing the total borrowings of approximately HK\$359.89 million (unaudited) (2020: approximately HK\$429.95 million) by shareholder's equity of approximately HK\$188.73 million (unaudited) (2020: approximately (HK\$63.83 million)).

Treasury Policies

The Group does not engage in any leveraged or derivative products. Since most of the Group's assets and liabilities are denominated in HK dollars, Renminbi or US dollars and the exchange rates of such currencies were relatively stable over the Reporting Period, the Directors believe that the Group's exposure to fluctuation in those currencies does not have any significant adverse effect to the Group. Nonetheless, the Group will closely monitor its foreign currency exposure and arrange for hedging facilities when necessary.

Amendments to the Terms and Conditions of Convertible Notes

On 29 May 2019, the Company has entered into a subscription agreement with Win Win International Strategic Investment Funds SPC (for the account and on behalf of Win Win Stable No. 1 Fund SP) ("**Win Win**"), pursuant to which the Company has issued the convertible notes in the principal amount of HK\$110,952,907. Win Win has subsequently transferred its interest in the convertible notes to Qilu International Funds SPC (for the account and on behalf of Zhongtai Dingfeng Classified Fund SP) ("**Qilu**") on 4 May 2020. The original maturity date was 17 July 2020 and the original conversion price was HK\$0.184 per conversion share.

On 16 July 2020, the Company has entered into a supplemental deed with Qilu to (a) amend the conversion price to HK\$0.134; (b) amend the number of conversion shares in light of the amendment to the conversion price; (c) extend the maturity date to 17 July 2021, and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the maturity date; (d) the interest payment dates shall be 18 January 2021 and 17 July 2021. On 23 October 2020, ordinary resolutions have been passed by the shareholders of the Company.

On 4 August 2021 (after trading hours), the Company entered into the second supplemental deed (the "**Second Supplemental Deed**") with Qilu to (a) extend the Maturity Date to 17 July 2022 and extend the end of the Conversion Period to 4:00 p.m. (Hong Kong time) on the extended Maturity Date; and (b) the interest payment dates shall be 17 January 2022 and 17 July 2022. On 20 October 2021, ordinary resolutions have been passed by the shareholders of the Company.

As at 31 December 2021, all of the net proceeds have already been used for redemption of the 2017 notes and repayment of bank loans.

Further details of the issuance of Convertible Notes and the supplemental deed are set out in the announcements of the Company dated 29 May 2019, 11 June 2019, 2 July 2019, 7 July 2019, 17 July 2019, 16 July 2020, 23 October 2020, 3 November 2020, 4 August 2021, 31 August 2021 and 20 October 2021 and the circulars of the Company dated 8 October 2020 and 4 October 2021.

CONNECTED TRANSACTIONS

Provision of drilling services 1

On 24 October 2019, Ningxia Deliheng Oil and Gas Technology Service Company Ltd. (寧夏德力恒油氣技術服務有限公司) (“**Ningxia Deliheng**”) and Beijing Huaye Jinqian Petroleum Energy Technology Development Company Limited, Yanchi Branch Company (北京華燁金泉石油能源技術開發有限公司鹽池分公司) (“**Beijing Huaye**”) entered into the SL16-5-4 Well Agreement and the SL27 Well Agreement, pursuant to which Ningxia Deliheng agreed to provide drilling services of (i) an aggregate of 18 oil wells under the SL16-5-4 Well Agreement at the consideration of RMB225,536,750 and (ii) 1 oil well under the SL27 Well Agreement at the consideration of RMB8,486,219.50 for Beijing Huaye for the purpose of extraction of oil.

Mr. Han Jinfeng is a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Mr. Han Jinfeng is a cousin of Mr. Chen Jinle, the Chairman, an executive Director and substantial shareholder of the Company at the material time when the SL16-5-4 Well Agreement and the SL27 Well Agreement were entered into. Therefore, Beijing Huaye is an associate of a connected person of the Company and is therefore a connected person of the Company. Accordingly, the aforesaid agreements constituted connected transactions of the Company. On 11 February 2020, ordinary resolutions have been passed by the independent shareholders of the Company. Due to the outbreak of COVID-19 and the extreme low crude oil price amid of pandemic, the drilling works for the oil well were deferred in the year 2020 and has been resumed in 2021 and completed by 30 June 2021.

Details of the SL16-5-4 Well Agreement and the SL27 Well Agreement are set out in the announcements of the Company dated 24 October 2019, 27 November 2019, 9 January 2020, 11 February 2020, 12 June 2020, 7 June 2021 and 30 June 2021 respectively, and the circular of the Company dated 22 January 2020.

Provision of drilling services 2

On 10 August 2021, Ningxia Deliheng and Beijing Huaye entered into an agreement regarding oil well drilling in Huian Oil Field (惠安油田), the PRC (the “**Huian Well Agreement**”). Pursuant to the Huian Well Agreement, Ningxia Deliheng agreed to provide drilling services of an aggregate of 63 oil wells for Beijing Huaye for the purpose of extraction of oil at an aggregate consideration of RMB748,171,700.00.

As abovementioned, Mr. Han Jinfeng is a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Mr. Han Jinfeng is a cousin of Mr. Chen Jinle, the Chairman, an executive Director and substantial shareholder of the Company at the material time when the Huian Well Agreement was entered into, the Huian Well Agreement constituted a connected transaction of the Company.

As at the date of this announcement, as certain conditions precedent has not been fulfilled, including the approval from the independent shareholders, the drilling services of the Group has been deferred.

For further details regarding the Huian Well Agreement, please refer to the announcements of the Company dated 10 August 2021 and 19 August 2021.

CAPITAL COMMITMENT

Contingent Liabilities

As at 31 December 2021, the Group did not have any material contingent liabilities.

Pledged assets

As at 31 December 2021, no assets of the Group have been pledged as security for the borrowings of the Group (as at 31 December 2020: nil).

Significant Investments and Material Acquisitions or Disposals

Save for those acquisitions and disposals disclosed in this announcement, there were no significant investment or any material acquisition or disposal of subsidiaries during the year ended 31 December 2021.

SUFFICIENCY OF THE PUBLIC FLOAT

Based on the information publicly available to the Company, during the Reporting Period and up to the date of this announcement, and to the best knowledge, information and belief of the Directors, the Directors confirm that the Company had maintained a sufficient public float as required under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the Reporting Period.

EVENTS AFTER REPORTING PERIOD

Impact of COVID-19

Since the outbreak of COVID-19 in early 2020, a series of precautionary and control measures have been and continued to be implemented in the PRC and across the globe. The operations of the Group continued to be impacted by the COVID-19 pandemic and the stringent travel restrictions and quarantine measures imposed by the PRC Government during the Reporting Period.

In view of the risk management measures taken by the Group and the precautionary control and measures imposed by the PRC government, it believes that the COVID-19 pandemic will not have a material adverse impact on the Group’s overall financial position and operating results as the Company mainly carries out its business in the PRC.

At present, the Group's operation is generally stable. The Group will continue to pay close attention to the development of, and the disruption to business and economic activities caused by the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group.

Save for disclosed elsewhere in this announcement, there were no material subsequent events undertaken by the Company or by the Group after 31 December 2021 and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintaining a high standard of corporate governance and has put in place self regulatory corporate practices to protect the interests of the shareholders of the Company (“**Shareholder(s)**”) and the enhancement of Shareholders' value. Our mission in terms of corporate governance is to provide high-quality products and services to the satisfaction of our customers and maintain high standards of business ethics and achieve these goals while, at the same time, providing satisfactory and sustainable returns to the Shareholders.

In addition, the Group acts in a socially responsible manner through a variety of initiatives and considers this as a part of its overall commitment to good corporate governance.

The Company has a code of business conduct that sets out the principles, values and standards of conduct expected of the management and staff of the Group, and stipulates our operating procedures and policies.

The Company has, throughout the Reporting Period, applied and complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Listing Rules which was effective on or before 31 December 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding the Company’s directors’ securities transactions. Having made specific enquiries by the Company, all directors of the Company have confirmed that they had complied with the required standards set out in the Model Code during the Reporting Period.

The Company has established written guidelines on no less exacting terms than the Model Code for dealings in the Company’s securities by relevant employees who are likely to be in possession of unpublished inside information in relation to the Company or its securities. The Company has received written annual compliance declaration from employees to confirm their compliance.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

UPDATE ON THE DIRECTORS INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the annual report of the Company for the year ended 31 December 2020 are set out below:

Mr. Wang Shoulei has resigned his position as the non-executive Director with effect from 26 October 2021.

Mr. Gao Han has resigned as an independent non-executive Director, and ceased to be a member of each of the Audit Committee (the “**Audit Committee**”), the Nomination Committee (the “**Nomination Committee**”) and the Remuneration Committee (the “**Remuneration Committee**”) of the Company with effect from 28 October 2021.

Mr. Jiang Hao was appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 28 October 2021.

Mr. Chen Yunwei was appointed as a non-executive Director with effect from 29 October 2021.

Mr. Chen Jinle has resigned as an executive Director, the chairman of the Board and the chairman of the Nomination Committee with effect from 11 March 2022.

Following the resignation of Mr. Chen Jinle, Mr. Han Jinfeng was appointed as an executive Director, the chairman of the Board and the chairman of the Nomination Committee on 11 March 2022.

Save as disclosed above, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGE OF AUDITORS

During the Reporting Period, Cheng & Cheng Limited, Certified Public Accountants resigned as auditor of the Company on 26 November 2021 and CCTH CPA Limited was appointed by the Directors on 29 December 2021 to fill the casual vacancy so arising.

Cheng & Cheng Limited, Certified Public Accountant has been the auditor of the Company since 20 February 2019 following the resignation of its previous auditor of the Company PricewaterhouseCoopers.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Audit Committee of the Company (the “**Audit Committee**”) comprises of three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao. The chairman of the Audit Committee is Mr. Tche Heng Hou Kevin, who holds the appropriate professional accounting qualification and financial management expertise as required under the Listing Rules.

The auditing process for the annual results of the Group for the year ended 31 December 2021 has not been completed, primarily due to the outbreak of COVID-19 pandemic. The anti-pandemic measures for the prevention and control of COVID-19 implemented have caused difficulties on the auditing process, including but not limited to the impairment on the amount due from the disposal group, valuation on trade receivables, other receivables, prepayment and convertible loan notes, obtaining confirmations, etc.. The unaudited annual results contained herein have not been agreed by the Auditors as required under Rule 13.49(2) of the Listing Rules. The unaudited annual results of the Group have been reviewed by the Audit Committee.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2021 as agreed by the Auditors and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the

register of members of the Company will be closed in order to ascertain the eligibility of the shareholders of the Company to attend and vote at the annual general meeting. Barring any further unforeseeable adverse circumstances brought by the prolonged outbreak of the COVID-19 Pandemic, the Company expects the auditing process will be completed on or before 30 April 2022. In addition, the Company will issue further announcement as and when necessary if there are other material development in the auditing process.

PUBLICATION OF UNAUDITED ANNUAL RESULTS AND ANNUAL REPORT 2021

This unaudited annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jintaienergy.com), and the annual report of the Company for the year ended 31 December 2021 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

The Group would like to extend its sincere gratitude to its business partners and shareholders for their continued support. The management team and all staff members shall also be lauded for their unwavering efforts and dedication to the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Jintai Energy Holdings Limited
Yuan Hongbing
Executive Director and Chief Executive Officer

Hong Kong, 31 March 2022

- * *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*
- * *For the purpose of this announcement, conversion of RMB into HK Dollars is based on the approximate exchange rate of RMB1 to HK\$1.2. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK Dollars or RMB have been, could have been or may be converted at such or any other rate or at all.*

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.