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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Jintai Energy Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**Reporting Period**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	NOTES	2022 HK$'000	2021 HK$'000
Revenue	4	**150,286**	11,010,520
Cost of sales	5	**(122,393)**	(10,581,690)
Gross profit		**27,893**	428,830
Other income		**12,857**	10,851
Other gains/(losses) — net	6	**3,084**	(405)
Gain on disposal of subsidiaries		**–**	11,638
(Impairment loss)/reversal of impairment loss on trade receivables	11	**(92)**	2,010
Impairment loss on prepayments to suppliers	11	**(32,828)**	–
Impairment loss on amount due from former subsidiaries		**–**	(23,458)
Administrative expenses	5	**(31,386)**	(92,080)
Distribution expenses	5	**(8,811)**	(175,893)
Share of loss of associate	10	**(47)**	–
Operating (loss)/profit		**(29,330)**	161,493
Finance income		**1,386**	241
Finance expenses		**(13,303)**	(24,703)
Finance expenses — net		**(11,917)**	(24,462)
(Loss)/profit before income tax		**(41,247)**	137,031
Income tax credit/(expense)	7	**462**	(62,895)
(Loss)/profit for the year		**(40,785)**	74,136
(Loss)/profit for the year attributable to:			
Owners of the Company		**(31,913)**	94,295
Non-controlling interests		**(8,872)**	(20,159)
		(40,785)	74,136

		2022 HK Cents	2021 HK Cents
(Loss)/earnings per share	9		
— Basic		**(0.72)**	2.12
— Diluted		**NA**	2.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(40,785)**	74,136
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
— Currency translation differences	**(47,001)**	14,649
— Translation reserve released upon deregistration/disposal of subsidiaries	**7**	(2,178)
	(46,994)	12,471
Total comprehensive (loss)/income for the year	**(87,779)**	86,607
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(84,362)**	107,314
Non-controlling interests	**(3,417)**	(20,707)
	(87,779)	86,607

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTES	2022 HK$'000	2021 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**2,552**	2,108
Advance payments for assets acquisition		**163,575**	–
Right-of-use assets		**2,440**	4,325
Goodwill		**–**	–
Interest in an associate	*10*	**126,866**	–
		295,433	6,433
Current assets			
Inventories		**–**	4,774
Trade and other receivables and prepayments	*11*	**49,963**	962,094
Advance payments for assets acquisition		**101,529**	–
Amounts due from non-controlling interest of a subsidiary		**24,500**	–
Cash and cash equivalents		**49,238**	55,681
		225,230	1,022,549
Total assets		**520,663**	1,028,982
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**5,569**	5,569
Other reserves		**415,273**	458,374
Accumulated losses		**(306,816)**	(273,355)
		114,026	190,588
Non-controlling interests		**(12,760)**	(28,229)
Total equity		**101,266**	162,359

	NOTES	2022 HK$'000	2021 HK$'000
Liabilities			
Non-current liabilities			
Bond payables		**–**	29,718
Lease liabilities		**524**	2,677
		524	32,395
Current liabilities			
Trade and other payables	*12*	**79,907**	359,278
Current income tax liabilities		**1,504**	26,112
Amount due to a shareholder		**126,118**	–
Amount due to an associate		**121,276**	–
Amounts due to related parties		**10,953**	–
Borrowings	*13*	**30,390**	307,079
Bond payables		**29,028**	–
Convertible loan notes		**–**	113,291
Derivative financial liabilities		**–**	1,230
Lease liabilities		**1,955**	2,521
Contract liabilities		**17,742**	24,717
		418,873	834,228
Total liabilities		**419,397**	866,623
Net current (liabilities)/assets		**(193,643)**	188,321
Total assets less current liabilities		**101,790**	194,754
Total equity and liabilities		**520,663**	1,028,982

NOTES

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 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The directors consider the Company's immediate and ultimate holding company to be Oriental Gold Honour Joy International Holdings Limited (the "**Oriental Gold**"), a company incorporated in the British Virgin Islands (the "**BVI**"). The directors also consider the Company's ultimate controlling party to be Mr. Chen Jinle who is the sole shareholder of Oriental Gold.

The address of the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the Company's address of 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, operation of digital trading parks, service business of customs declaration and oil drilling services. The Group has operations mainly in Hong Kong and the People's Republic of China ("**PRC**").

In prior years, the Company's functional currency was Hong Kong dollar ("**HK$**"). The Company is an investment holding company. Due to the continuing expansion of the Group's business operations in Mainland China ("**PRC**") which are transacted mainly in Renminbi ("**RMB**"), the directors have determined that the functional currency of the Company changed from HK$ to RMB on the prospective basis from 1 January 2021. The consolidated financial statements are presented in HK$ as the directors are of the view that the HK$ is appropriate presentation currency for the users of the Group's financial statements given that the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In preparing the consolidated financial statements of the Group, the directors of the Company have given consideration to the future liquidity of the Group in light of the Group's net current liabilities of HK$193,643,000 at 31 December 2022. As at 31 December 2022, the Group had amounts due to a shareholder, an associate and certain related parties totalled HK$258,347,000 and borrowings and bonds payable totalled HK$59,418,000, all of which are repayable on demand or within one year after the end of the reporting period, accordingly, are included in current liabilities. On the same date, the Group had cash and cash equivalents amounted to HK$49,238,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next year from the date of approval of these consolidated financial statements, after taking into consideration of the measures and arrangements made by the Group, as detailed below:

(a) The beneficial shareholder of the Company, Mr. Chen Jinle, has agreed to provide financial support to the extent of HK$81,000,000 to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.

(b) On 20 March 2023, the Group obtained a written consent from the bond holder under which the bond holder has agreed not to demand repayment of the bond payable (amounted to approximately HK$29,028,000 at 31 December 2022) on or before 23 October 2024.

(c) On 20 March 2023, the Group entered into a conditional agreement with a shareholder under which the maturity date of the amount due by the Group to the shareholder (amounted to approximately HK$126,118,000 at 31 December 2022) is to be extended to 17 July 2025, details of which are set out in note 14. The aforesaid agreement is subject to be approved by the shareholders of the Company at the extraordinary general meeting which is expected to be held before 30 June 2023.

(d) On 30 March 2023, the Group obtained a written consent from certain related parties of the Company, under which these related parties have agreed not to demand repayment of the amount due by the Group to the related parties (amounted to approximately HK$10,953,000 at 31 December 2022) on or before 30 March 2024.

(e) On 30 March 2023, the Group obtained a written consent from an associate of the Company, under which the associate of the Company has agreed not to demand repayment of the amount due by the Group to the associate (amounted to approximately HK$121,276,000 at 31 December 2022) on or before 30 March 2024.

(f) The directors will continuously and closely monitor the Group's liquidity position and financial performance and implement measures to improve the Group's cash flows.

In light of the measures and arrangements implemented to date, the directors of the Company are of the view that the Group has sufficient cash resources to satisfy its working capital requirements and other financial obligations for at least the next twelve months from the date of approval of these consolidated financial statements after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the operations and development of the Group's business. Accordingly, the directors of the Company are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the carrying amounts of the Group's assets to their estimated recoverable amounts, to provide further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

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

(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 2022 for the preparation of the consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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.

(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 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after a date to be determined.
[3] Effective for annual periods beginning on or 1 January 2024.

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. SEGMENT INFORMATION

The Company's board of directors are the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

The board of directors consider the business from business lines perspective, and assesses the performance of the Group in five business lines, (1) energy business which comprises mainly the trading of fuel oil and kerosene; (2) drilling services which represent provision of drilling services; (3) operation of digital energy trading parks; (4) transportation services which represent fuel oil and kerosene transportation services; and (5) services business of customs declaration.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit or loss represents the profit or loss from each segment without allocation of finance income or expenses, share-based payment expenses, and the unallocated operating income and expenses since these activities are driven by the central function and the related income or expenses are individual between segments.

The Group's bond payables, borrowings, amounts due to a shareholder, an associate and related parties, convertible loan notes and current income tax liabilities are not considered to be segment liabilities for reporting to the board of directors as they are managed on a central basis.

Segment information is as follows:

	2022						
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Speaker business** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Transportation services** *HK$'000*	**Services business of customs declaration** *HK$'000*	**Total** *HK$'000*
Segment revenue							
Reportable segment revenue	117,760	–	–	33,337	–	–	151,097
Elimination of inter-segment revenue	(811)	–	–	–	–	–	(811)
Sales to external customers	116,949	–	–	33,337	–	–	150,286
Segment (loss)/profit	(32,611)	(940)	–	15,977	–	–	(17,574)
Gain on disposal of subsidiaries							–
Gain on change in fair value of derivative financial liabilities							1,169
Share-based payment expenses							–
Unallocated operating income							2,086
Unallocated operating expenses							(14,964)
Share of loss of associate							(47)
Operating loss							(29,330)
Finance expenses — net							(11,917)
Loss before income tax							(41,247)
Income tax credit							462
Loss for the year							(40,785)

	2022						
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Speaker business** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Transportation services** *HK$'000*	**Services business of customs declaration** *HK$'000*	**Total** *HK$'000*
Depreciation charge of property, plant and equipment	256	108	–	414	–	1	779
Depreciation of right-of-use assets	–	–	–	1,356	–	–	1,356
Impairment loss on prepayments to suppliers	32,828	–	–	–	–	–	32,828
Impairment loss on amount due from former subsidiaries	–	–	–	–	–	–	–
Impairment loss on trade receivables	92	–	–	–	–	–	92
Loss on disposal of property, plant and equipment	–	–	–	17	–	–	17
Loss on disposal of right-of-use assets	–	–	–	375	–	–	375

	2022						
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Speaker business** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Transportation services** *HK$'000*	**Services business of customs declaration** *HK$'000*	**Total** *HK$'000*
Assets							
As at 31 December							
Segment assets	201,152	880	–	24,294	–	35	226,361
Unallocated assets							294,302
Total assets							520,663

	2022						
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Speaker business** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Transportation services** *HK$'000*	**Services business of customs declaration** *HK$'000*	**Total** *HK$'000*
Liabilities							
As at 31 December							
Segment liabilities	59,879	9	–	32,980	–	31	92,899
Unallocated liabilities							326,498
Total liabilities							419,397

	2021						
	Energy business *HK$'000*	Drilling services *HK$'000*	Speaker business *HK$'000*	Operation of digital energy trading parks *HK$'000*	Transportation services *HK$'000*	Services business of customs declaration *HK$'000*	Total *HK$'000*
Segment revenue							
Reportable segment revenue	10,947,860	259,935	193	26,499	24,865	3,979	11,263,331
Elimination of inter-segment revenue	(246,344)	–	–	–	(6,467)	–	(252,811)
Sales to external customers	10,701,516	259,935	193	26,499	18,398	3,979	11,010,520
Segment profit/(loss)	92,024	93,718	(2,216)	4,772	(7,399)	2,348	183,247
Gain on disposal of subsidiaries							11,638
Gain on change in fair value of derivative financial liabilities							–
Share-based payment expenses							(19,446)
Unallocated operating income							–
Unallocated operating expenses							(13,946)
Share of loss of associate							–
Operating profit							161,493
Finance expenses — net							(24,462)
Profit before income tax							137,031
Income tax expense							(62,895)
Profit for the year							74,136

	2021						
	Energy business *HK$'000*	Drilling services *HK$'000*	Speaker business *HK$'000*	Operation of digital energy trading parks *HK$'000*	Transportation services *HK$'000*	Services business of customs declaration *HK$'000*	Total *HK$'000*
Depreciation charge of property, plant and equipment	106	112	67	953	6,442	–	7,680
Depreciation of right-of-use assets	–	–	–	1,054	–	–	1,054
Impairment loss on prepayments to suppliers	–	–	–	–	–	–	–
Impairment loss on amount due from former subsidiaries	–	–	–	–	23,458	–	23,458
Reversal of impairment loss on trade receivables	(2,010)	–	–	–	–	–	(2,010)
Impairment loss on property, plant and equipment	–	–	–	–	–	–	–
Loss on disposal of property, plant and equipment	–	–	–	3	443	–	446
Gain on disposal of right-of-use assets	–	–	–	(27)	–	–	(27)

	2021						
	Energy business *HK$'000*	Drilling services *HK$'000*	Speaker business *HK$'000*	Operation of digital energy trading parks *HK$'000*	Transportation services *HK$'000*	Services business of customs declaration *HK$'000*	Total *HK$'000*
Assets							
As at 31 December							
Segment assets	738,794	232,403	–	56,250	–	144	1,027,591
Unallocated assets							1,391
Total assets							1,028,982

	2021							
	Energy business *HK$'000*	Drilling services *HK$'000*	Speaker business *HK$'000*	Operation of digital energy trading parks *HK$'000*	Transportation services *HK$'000*	Services business of customs declaration *HK$'000*	Electronic products *HK$'000*	Total *HK$'000*
Liabilities								
As at 31 December								
Segment liabilities	119,933	215,808	–	30,091	–	146	–	365,978
Unallocated liabilities								500,645
Total liabilities								866,623

Revenue from external customers by geographical location, based on the destination of the customers is as follows:

	2022 *HK$'000*	2021 *HK$'000*
PRC	**150,286**	11,010,520

Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	2022 *HK$'000*	2021 *HK$'000*
Revenue from energy business:		
Revenue from Customer A	**N/A#**	1,832,386
Revenue from Customer B	**N/A#**	1,277,483
Revenue from Customer C	**82,107**	N/A*
Revenue from Customer D	**34,842**	N/A*

\# Each of the revenue from Customer A and Customer B for the year ended 31 December 2022 did not contribute over 10% of the total revenue of the Group for that year.

* Each of the revenue from Customer C and Customer D for the year ended 31 December 2021 did not contribute over 10% of the total revenue of the Group for that year.

Non-current assets by geographical location, other than financial instruments, is as follows:

	2022 *HK$'000*	2021 *HK$'000*
PRC	**293,929**	6,387
Hong Kong	**1,504**	46
	295,433	6,433

5. EXPENSES BY NATURE

	2022	2021
	HK$'000	*HK$'000*
Cost of goods sold	**122,393**	10,516,316
Employee benefit expense	**15,805**	49,863
Short-term lease expense	**6**	29
Storage fees	**–**	54,101
Delivery	**–**	146,774
Donations	**92**	–
Utilities	**3,784**	2,471
Depreciation — property, plant and equipment	**823**	7,756
Depreciation — right-of-use assets	**1,614**	1,054
Repairs and maintenance expenses	**128**	5,329
Legal and professional fees	**6,088**	9,869
Auditors' remuneration — audit services	**1,300**	1,000
Auditors' remuneration — non-audit services	**250**	450
Loading fee	**–**	19,384
Other local taxes paid	**174**	16,326
Other expenses	**10,133**	18,941
Total cost of sales, distribution expenses and administrative expenses	**162,590**	10,849,663
Analysed for reporting purposes:		
Cost of sales	**122,393**	10,581,690
Distribution expenses	**8,811**	175,893
Administrative expenses	**31,386**	92,080
	162,590	10,849,663

6. OTHER GAINS/(LOSSES) — NET

	2022	2021
	HK$'000	*HK$'000*
Fair value gain on derivative financial liabilities	**1,169**	45,823
Net foreign exchange gains	**2,264**	5,358
Gain on deregistration of a subsidiary	**32**	1
Loss on modification of convertible loan notes	**–**	(50,971)
Loss on disposal of property, plant and equipment	**(17)**	(446)
(Loss)/gain on disposal of right-of-use assets	**(375)**	27
Impairment loss of goodwill	**–**	(614)
Others	**11**	417
	3,084	(405)

7. INCOME TAX (CREDIT)/EXPENSE

	2022	2021
	HK\$'000	*HK\$'000*
Current income tax:		
— Hong Kong Profits Tax	**–**	–
— PRC Enterprise Income Tax	**608**	62,873
(Over)/under-provision in prior years:		
— PRC Enterprise Income Tax	**(1,070)**	22
Income tax (credit)/expense	**(462)**	62,895

Under the two-tiered Hong Kong profits tax rates regime, the first HK$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK$2 million is taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a tax rate of 16.5%.

No provision for Hong Kong profits tax of both of the years presented has been made in the consolidated financial statements as the Group has not derived any assessable profit for those years arising in Hong Kong.

Taxation on PRC income has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group operates. The Company's subsidiaries incorporated in the PRC are subject to Enterprise Income Tax ("**EIT**") at the rate of 25% (2021: 25%).

8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2022 (2021: nil).

9. (LOSS)/EARNINGS PER SHARE

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

	2022	2021
	HK$'000	*HK$'000*
Earnings		
(Loss)/earnings for the purpose of basic loss/earnings per share and diluted earnings per share		
(Loss)/profit for the year attributable to the owners of the Company	**(31,913)**	94,295
	No. of Shares	No. of Shares
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss/earnings per share	**4,455,021**	4,455,021
Effect of dilutive potential ordinary shares:		
Convertible loan notes *(Note a)*	**–**	–
Share options *(Note b)*	**–**	75,606
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,455,021**	4,530,627
	2022	2021
	HK Cents	*HK Cents*
Basic (loss)/earnings per share	**(0.72)**	2.12
Diluted earnings per share	**NA**	2.08

Notes:

(a) The computation of the diluted loss per share for the year ended 31 December 2022 does not assume the conversion of the Company's outstanding convertible loan notes since their assumed exercise would result in a decrease in loss per share for the year.

The computation of the diluted earnings per share for the year ended 31 December 2021 does not assume the conversion of the Company's outstanding convertible loan notes since their assumed exercise would result in an increase in earnings per share for the year.

(b) The computation of diluted loss per share for the year ended 31 December 2022 does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for that year.

10. INTEREST IN AN ASSOCIATE

	2022 *HK$'000*	2021 *HK$'000*
Unlisted investment, at cost	**127,890**	–
Share of post-acquisition losses	**(47)**	–
Currency translation differences	**(977)**	–
	126,866	–

	2022 *HK$'000*	2021 *HK$'000*
Movements during the year:		
At the beginning of the year	**–**	–
Capital injection to the associate	**127,890**	–
Share of loss recognised for the year	**(47)**	–
Currency translation differences	**(977)**	–
At the end of the year	**126,866**	–

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2022 *HK$'000*	2021 *HK$'000*
Trade receivables from third parties	**14,721**	230,338
Less: allowance for impairment of trade receivables	**(89)**	–
Trade receivables — net of impairment recognised	**14,632**	230,338
Consideration receivable for disposal of subsidiaries *(Note 14)*	**14,768**	42,709
Other receivables	**5,612**	2,649
Value added tax receivables	**1,424**	1,666
Trade and other receivables	**36,436**	277,362
Prepayments to suppliers	**11,803**	682,975
Deposits paid	**842**	914
Prepaid expenses	**882**	843
Total	**49,963**	962,094

Movements in allowance for impairment of trade receivables are as follows:

	2022 HK$'000	2021 HK$'000
At 1 January	–	1,978
Impairment loss recognised/(reversal of impairment loss) for the year	92	(2,010)
Currency translation difference	(3)	32
At 31 December	89	–

The Group normally allows a credit period of 0–180 days (2021: 0–180 days) from invoice date to its customers and may further extend the credit period to selected customers depending on their trade volume and settlement history. At 31 December 2022 and 2021, the aging analysis of trade receivables based on invoice date was as follows:

	2022 HK$'000	2021 HK$'000
121 to 365 days	9,288	230,338
Over 365 days	5,344	–
	14,632	230,338

The Group's prepayments to suppliers are mainly related to the energy business. The Group makes prepayments to suppliers to secure the supply of fuel oil and kerosene. The prepayments are normally utilised for a period of 30 to 90 days after the dates of payment.

Movements in the provision for impairment of prepayments to suppliers are as follows:

	2022 HK$'000	2021 HK$'000
At 1 January	–	–
Impairment loss recognised for the year	32,828	–
Currency translation differences	(1,023)	–
At 31 December	31,805	–

12. TRADE AND OTHER PAYABLES

	2022 HK$'000	2021 HK$'000
Trade payables	2,152	182,004
Accrued salaries	1,459	8,784
Accrued expenses	6,118	8,727
Other payables	66,878	156,459
Interest payable	3,300	3,304
	79,907	359,278

The suppliers normally allow credit period arranged from 60 to 365 days to the Group. At 31 December 2022 and 2021, the aging analysis of the trade payables based on invoice date is as follows:

	2022	2021
	HK$'000	*HK$'000*
Within 30 days	**395**	–
31 to 60 days	**789**	9
61 to 90 days	**959**	–
91 to 120 days	**–**	–
Over 120 days	**9**	181,995
	2,152	182,004

13. BORROWINGS

	2022	2021
	HK$'000	*HK$'000*
Bank borrowings, unsecured	**13,387**	13,387
Other borrowings	**–**	3,488
Loans from related parties	**17,003**	11,864
Shareholders' loans	**–**	278,340
Total borrowings	**30,390**	307,079

14. EVENTS AFTER REPORTING PERIOD

In addition to those disclosed elsewhere in the consolidated financial statements, the following event took place after the end of the reporting period:

On 20 March 2023, the Company entered into an agreement (the "**Agreement**") with a shareholder of the Company, pursuant to which the parties to the Agreement have conditionally agreed that (a) all accrued and unpaid interest on the amount due by the Group to the shareholder up to 18 July 2022 in the sum of HK$12,337,857.56 shall be aggregated with the original principal amount of the amount due to the shareholder of HK$110,952,907, totalling HK$123,290,764.56, which shall be treated as the new outstanding principal amount; (b) from 19 July 2022 onwards, interest shall be accrued at the rate of 8% per annum; (c) the maturity date of the amount due to the shareholder shall be extended to 17 July 2025; and (d) the interest payment date shall be revised to 17 July 2025.

The Agreement is subject to certain conditions to be fulfilled by the contracting parties, including the approval by the shareholders of the Company at extraordinary general meeting which is expected to be held before 30 June 2023, accordingly the completion of the Agreement has not taken place up to the date of approval of these consolidated financial statements.

EXTRACT OF THE AUDITOR'S REPORT

The following is the extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2022:

OPINION

We have audited the consolidated financial statements of Jintai Energy Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements regarding the adoption of going concern basis on which the consolidated financial statements have been prepared. The Group sustained net current liabilities amounted to approximately HK$193,643,000 as at 31 December 2022 and the Group incurred a loss of approximately HK$40,785,000 for the year then ended. These conditions, along with other matters as set out in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that would result from a failure of the Group to implement the measures and arrangements as referred to in Note 2 to the consolidated financial statement for financing the working capital and financial commitments of the Group and the Company for the foreseeable future. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was principally engaged in four businesses: (i) energy trading which comprised mainly the trading of fuel oil and kerosene; (ii) operation of digital energy trading park; (iii) drilling services; and (iv) customs declaration services during the year ended 31 December 2022 (the "**Reporting Period**"). The Group no longer operated (i) speaker manufacturing and trading; (ii) energy transportation services; and (iii) trading of electronic products since late 2021.

The Group's revenue for the Reporting Period was approximately HK$150.29 million, representing a significant decrease of approximately 98.64% as compared to approximately HK$11.01 billion for the corresponding period in 2021 (the "**Corresponding Period**"). The gross profit during the Reporting Period was approximately HK$27.89 million (2021: approximately HK$428.83 million), representing a decrease of approximately HK$400.94 million or approximately 93.50% as compared to the Corresponding Period.

Energy trading business

Since October 2021, having taken into account the best interest of the Company and its shareholders, the Group has temporarily suspended a substantial part of its energy trading business since the energy trading business exposed to a higher risk due to the volatility in crude oil price as a result of the persistent COVID-19 pandemic worldwide and the military conflict between Ukraine and Russia. The Group will consider resuming such business when the global oil price becomes stable as well as the crude oil transportation problems caused by the COVID-19 pandemic are gradually relieved.

During the Reporting Period, revenue derived from the energy trading business was approximately HK$116.95 million (2021: approximately HK$10.70 billion).

Digital energy trading parks

The business operation of the digital energy trading parks has been rapidly expanding since its commencement in the second half of 2020. The Group has signed cooperation agreements with various enterprises or entities in 13 cities/regions of China, and successfully introduced not less than 236 enterprises into the digital energy trading parks as at the date of this announcement. The operation and service business of digital energy trading parks generates stable income to the Group through: (1) receiving fixed service fees from enterprises in the trading parks on an annual basis; (2) receiving service fees based on the value-added services provided to the enterprises in the trading parks; (3) applying for tax incentives or financial subsidies from local governments based on the economic benefits of the operation of the trading parks.

During the Reporting Period, the revenue derived from the operation of digital energy trading parks was approximately HK$33.34 million (2021: approximately HK$26.50 million). The Company believes that the digital energy trading parks business will continue to contribute economic benefits and bring new opportunities for the energy trading business of the Group in the future.

Drilling Services

The Group has completed drilling services of certain oil wells through its wholly-owned subsidiary, Ningxia Deliheng Oil and Gas Technology Service Company* (寧夏德力恒油氣技術服務有限公司) ("**Ningxia Deliheng**") in 2021. Ningxia Deliheng had entered into the SL16-5-4 and SL27 Well Agreement in late 2019 with Beijing Huaye Jinquan 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**"), pursuant to which Ningxia Deliheng provided drilling services of 19 oil wells for Beijing Huaye for the purpose of extraction of oil under the SL16-5-4 and SL27 Well Agreement. The drillings were commenced by 4 June 2021 and has been completed in June 2021.

The Group has further entered into a new drilling service agreement with Beijing Huaye to provide drilling services for 63 oil wells at a contract sum of over RMB748 million in the second half of 2021. As certain conditions precedent have not yet been fulfilled, the new drilling services of the 63 oil wells of the Group has been deferred and has not yet commenced as at the date of this announcement.

During the Reporting Period, no revenue was derived from the drilling services business (2021: approximately HK$259.94 million).

With the past successful track records, the Group believes that the drilling services can continue to contribute economic benefits and bring new opportunities to the Group in the future.

The Group also plans to develop drilling services in conjunction with the upstream development and jointly develop oil field projects with Chinese Central Stated-owned enterprises and State-owned enterprises.

Customs declaration services

The Company has, through its wholly-owned subsidiary, incorporated Shandong Ruiyuan Shipping Company Limited* (山東瑞源船務有限公司) ("**Shandong Ruiyuan**") in April 2020 in Shandong, China with an independent third party. The Group holds 60% of the entire equity interest of Shandong Ruiyuan and Shandong Ruiyuan has become a non-wholly owned subsidiary of the Group. Shandong Ruiyuan is principally engaged in the provision of customs declaration services. Since then, the Group has commenced its customs declaration services business.

During the Reporting Period, no revenue was derived from the customs declaration services business due to the substantial logistic restrictions as a result of the persistent COVID-19 pandemics (2021: approximately HK$3.98 million).

PROSPECTS

Looking forward to the year of 2023, the risk of stagflation in the global economy is expected to rise and the overall market conditions remain uncertain. Notwithstanding the end of all controls, restrictions and precautionary measures against the prolonged COVID-19 pandemic, the Group expects to face various challenges such as continued volatility in oil price caused by the continuation of the military conflict between Ukraine and Russia and the economic uncertainty subsequent to the prolonged COVID-19 pandemic.

1. Energy Trading

The Group will continue to explore the opportunities of development of new energy-related products and services in order to strengthen the energy trading business and to enhance the business competitiveness and profitability. Firstly, the Group will conduct business cooperation with large state-owned enterprises in order to minimize the risk of energy trading business. Secondly, the Group will resume the energy trading business after the global oil price becomes relatively stable.

2. Digital Trading Industry Park Operation

The Group has been successful in developing the "digital trading industry park" operation service for the petrochemical energy industry and has signed cooperative contracts with various enterprises in 13 cities and regions to co-build the Jintai Energy Digital Trading Industry Park since its commencement. The Group has introduced not less than 236 enterprises to the digital park. This business project of the Group aims to achieve an operation of 30 industry digital parks, introducing more than 1,000 enterprises. The Group will continue to broaden its customer base to the digital trading industry in order to achieve a constant growth in the future.

3. Business Expansion

The Group will continue to explore new investment and business opportunities in various fields including oil exploration and development. In July 2022, the Group entered into a memorandum of understanding with an intended vendor regarding a possible acquisition of a company which is engaged in oil exploration and development business and holds a 25-year oil exploration and extraction rights in an oil shale in Inner Mongolia Autonomous Region of the PRC from the year 2017. The Group intends to develop oil exploration business in order to enhance the Company's competitiveness and profitability. As at the date of this announcement, the Company was still liaising with various professional advisors on the deal and the acquisition was not yet completed.

In August 2022, the Company entered into an oil sands mines (oil and gas) exploration and development cooperation agreement (the "**Exploration and Development Agreement**"), pursuant to which the Company and Tacheng Xingta Energy Investment Development and Construction Co., Ltd.* (塔城興塔能源投資開發建設有限公司) ("**Tacheng Xingta**") agreed to explore and develop jointly the Aladesai Oil Sand Mine* (阿拉德賽油砂礦) and Xinan Chanreng Oil Sands Mine* (希南查仍油砂礦) (collectively "**Xinjiang Oil Sands Mines**"), both locating in Xinjiang Autonomous Region of the PRC and the Company agreed to contribute an initial cost of the exploration of Xinjiang Oil Sands Mines at around RMB2.43 million (equivalent to approximately HK$2.84 million). Pursuant to the Exploration and Development Agreement, the Company is granted an option to decide as to whether to proceed further with the Exploration and Development Agreement after the exploration results of the hydrocarbons emissions from the oil sands of Xinjiang Oil Sands Mines are available. As at the date of this announcement, the Company was still liaising with mining experts on the exploration and the Company has not yet decided as to whether it will exercise the option or not.

The Group will continue to cooperate with large state-owned enterprises to jointly develop valuable oil fields, accomplish the two-way driving of oil field exploitation, construction and oil product trading.

To cope with the challenging environment, the Group will continue to identify and evaluate various development opportunities to strengthen our competitive advantages through deployment of more resources for seizing the market potentials 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

Revenue

During the Reporting Period, the revenue of the Group decreased significantly to approximately HK$150.29 million (2021: approximately HK$11.01 billion), representing a decrease of approximately 98.64% as compared to the Corresponding Period. The decrease in revenue was mainly attributable to the temporary suspension of a substantial part of its energy trading business since October 2021.

Net Loss

During the Reporting Period, the Group recorded a loss attributable to the owner of the Company of approximately HK$31.91 million (2021: net profit attributable to the owner of the Company of approximately HK$94.30 million). The net loss was mainly attributable to the temporary suspension of a substantial part of its energy trading business since October 2021 and there was no performance of new oil drilling agreement since the completion of oil drilling services under the well agreements in June 2021.

Operating Costs

The operating costs were approximately HK$40.20 million during the Reporting Period (2021: approximately HK$267.97 million), representing a decrease of approximately 85.0% as compared to the Corresponding Period. The decrease was in line with the decrease in revenue for the Reporting Period.

Finance Costs

The finance costs of the Group were approximately HK$13.30 million during the Reporting Period, representing a decrease of approximately 46.15% as compared with approximately HK$24.70 million for the Corresponding Period.

Earning per Share

For the Reporting Period, the basic loss per share was approximately HK$0.72 cents (2021: basic earnings per share of approximately HK$2.12 cents), representing a decrease of approximately 133.96% as compared with the Corresponding Period.

Liquidity and Financial Resources

As at 31 December 2022, the Group had cash and cash equivalents of approximately HK$49.24 million (31 December 2021: approximately HK$55.68 million), which were mainly denominated in Hong Kong dollars (HK$), US dollars (US$) and Renminbi (RMB).

As at 31 December 2022, the Group's net current liabilities were approximately HK$193.64 million (2021: net current assets of approximately HK$188.32 million). The Group's current ratio as at 31 December 2022, being the ratio of total current assets to total current liabilities, was approximately 0.54 as compared to approximately 1.23 as at 31 December 2021.

The Group had bank and other borrowings of approximately HK$30.39 million (2021: approximately HK$307.08 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 2022, the issued convertible notes was matured and the Company was negotiating with the subscriber on the appropriate arrangement. The carrying amount of the principal and the outstanding interest payables of the issued convertible notes was reclassified as amount due to a shareholder. As at 31 December 2021, the carrying amount of the principal and the interest paybles of the issued convertible notes of the Group was approximately HK$113.29 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 2022, the carrying amount of bonds was approximately HK$29.03 million (2021: HK$29.72 million). The bonds bear interest at 5% per annum, payable on maturity date of 23 October 2023.

Capital Structure and Gearing Ratio

As at 31 December 2022, the total issued shares of the Company was 4,455,020,888 shares.

As at 31 December 2022, the share capital and equity attributable to owners of the Company amounted to approximately HK$5.57 million and approximately HK$114.03 million respectively (2021: approximately HK$5.57 million and approximately HK$190.59 million respectively).

As at 31 December 2022, 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 approximately 163% (as at 31 December 2021: approximately 221%), which was computed by dividing the total borrowings of approximately HK$185.54 million (2021: approximately HK$420.37 million) by shareholder's equity of approximately HK$114.03 million (2021: approximately HK$190.59 million).

Treasury Policies

The Group does not engage in any leveraged or derivative arrangements. 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.

Human Resources and Remuneration

The Group has employed a total of approximately 159 employees as at 31 December 2022 (2021: approximately 171) in Hong Kong and the PRC. Staff costs (excluding Directors' emoluments) during the Reporting Period amounted to approximately HK$15.81 million (2021: approximately HK$49.86 million). The Group recruits and selects candidates based on their qualifications and suitability for the position. It is the policy of the Group to recruit the most capable person available for each position.

The remuneration package of the Group's employees includes salary and bonus, which are generally determined by their qualifications, industry experiences, positions and experience. The Group makes contributions to social insurances and housing provident funds as required by the PRC laws and regulations.

Memorandum of Understanding regarding a potential acquisition

The Company entered into a memorandum of understanding (the "**MOU**") with an intended vendor (the "**Vendor**") on 13 July 2022, pursuant to which the Company intended to acquire from the Vendor the entire equity interest of a company based in Inner Mongolia Autonomous Region, the PRC (the "**Target Company**") (the "**Possible Acquisition**"). The Target Company is principally engaged in oil exploration and development business in China and holds a 25-year oil exploration and extraction rights in an oil shale with an estimated area of 50.3 square kilometres located at the Inner Mongolia Autonomous Region from the year 2017. The consideration of the Possible Acquisition will be in the region of RMB85,000,000. As at the date of this announcement, the Company was still liaising with various professional advisors on the deal and the acquisition was not yet completed.

Exploration and Development Agreement

In August 2022, the Company entered into the Exploration and Development Agreement, pursuant to which the Company and Tacheng Xingta agreed to explore and develop jointly the Xinjiang Oil Sands Mines and the Company agreed to contribute an initial cost of the exploration of Xinjiang Oil Sands Mines at around RMB2.43 million (equivalent to approximately HK$2.84 million). Pursuant to the Exploration and Development Agreement, the Company is granted an option to decide as to whether to proceed further with the Exploration and Development Agreement after the exploration results of the hydrocarbons emissions from the oil sands of Xinjiang Oil Sands Mines are available. As at the date of this announcement, the Company was still liaising with mining experts on the exploration and the Company has not yet decided as to whether it will exercise the option or not.

Tacheng Xingta is the holder of the exploration permit of Xinjiang Oil Sands Mines, covering an area of approximately 39.37 square kilometres, for a term of 5 years commencing on 11 August 2020.

For details, please refer to the announcement of the Company dated 26 August 2022.

SHARE OPTION SCHEME

The former share option scheme of the Company expired on 25 June 2015. Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 16 September 2019, a new share option scheme of the Company (the "**New Scheme**") was adopted by the Company accordingly and will expire on 15 September 2029. The Company operates the New Scheme for the purpose of providing incentives or rewards to selected eligible participants who contribute to the success of the Group's operations. Selected eligible participants of the New Scheme include directors, employees of the Company or any of its subsidiaries and any officers or consultants who will provide or have provided services to the Group.

On 20 May 2021, the Company granted the share options (the "**Share Options**") to 5 grantees (including 5 employees) under the New Scheme adopted by the Company on 16 September 2019 and refreshed on 29 May 2020.

The total number of securities available for issue under the New Scheme as at the date of this announcement was 806,700,000 Shares, representing approximately 19.23% of issued share capital of the Company as at the date of this announcement. For details, please refer to the circulars of the Company dated 28 August 2019 and 27 April 2020 and the announcements of the Company dated 25 September 2019, 29 May 2020, 19 June 2020 and 20 May 2021 respectively.

Details of the Share Options granted, exercised, lapsed and outstanding under the New Scheme during the Current Period are as follows:

						Number of share options				
Name or category of participants	Date of grant (dd/mm/yyyy)	Exercise price after (before) share subdivision in 2018 *HK$*	Closing Price of the Shares immediately before the date of grant *HK$*	Vesting date (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	As at 01/01/2022	Granted during the period	Exercise during the period	Lapse during the period	As at 31/12/2022
DIRECTORS										
Mr. Yuan Hongbing	19/6/2020	0.145	0.145	19/6/2020	19/6/2020–18/6/2025	37,000,000	–	–	–	37,000,000
					Total	37,000,000	–	–	–	37,000,000
OTHER PARTICIPANTS										
Eligible employees[1]	19/6/2015	0.64125 (1.2825)	0.626	19/6/2015	19/6/2015–18/6/2025	123,200,000	–	–	–	123,200,000
Eligible employees[1]	24/9/2019	0.15	0.131	24/9/2019	24/9/2019–23/9/2029	362,500,000	–	–	–	362,500,000
Eligible employees[1]	19/6/2020	0.145	0.145	19/6/2021	19/6/2020–18/6/2025	159,000,000	–	–	–	159,000,000
Eligible employees[1]	20/5/2021	0.15	0.148	20/5/2021	20/5/2021–19/5/2027	125,000,000	–	–	–	125,000,000
					Total	769,700,000	–	–	–	769,700,000

Note:

1. Eligible employees are working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

CONNECTED TRANSACTIONS

Provision of drilling services

On 10 August 2021, Ningxia Deliheng Oil and gas Technology Service Company (寧夏德力恒油氣技術服務有限公司) ("**Ningxia Deliheng**") and Beijing Huaye Jinquan Petroleum Energy Technology Development Company Limited, Yanchi Branch (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 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, Mr. Han Jinfeng is an executive Director and the chairman of the Company.

As at the date of this announcement, as certain conditions precedent has not been fulfilled, including, inter alia, 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

Save for those disclosed in this announcement, as at 31 December 2022, the Group did not have any material contingent liabilities.

Pledge of assets

As at 31 December 2022, no assets of the Group have been pledged as security for the borrowings of the Group (as at 31 December 2021: 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 2022.

EVENTS AFTER REPORTING PERIOD

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; and (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, 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.

On 20 March 2023, the Company entered into the third supplemental deed (the "**Third Supplemental Deed**") with Qilu to (a) aggregate all accrued and unpaid interest up to 18 July 2022 in the sum of HK$12,337,857.56 with the original principal amount of the Convertible Notes, i.e. HK$110,952,907, totalling HK$123,290,764.56, which is treated as the new outstanding principal amount; (b) amend the accrued interest rate to 8.00% per annum from 19 July 2022 onwards; (c) extend the Maturity Date to 17 July 2025 and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the extended maturity date; and (d) the interest payment date shall be 17 July 2025. As at the date of this announcement, certain conditions precedent has not been fulfilled, including the approval from shareholders of the Company by ordinary resolutions.

As at 31 December 2022, all of the net proceeds have already been used for redemption of the notes issued by the Company in 2017 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, 20 October 2021 and 20 March 2023 and the circulars of the Company dated 8 October 2020 and 4 October 2021.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: nil).

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND THE ARTICLES OF ASSOCIATION

In order to conform to the Core Standards for Shareholder protection as reflected in the amendments to the Appendix 3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 1 January 2022, the Board resolved on 27 May 2022 to propose to make amendments (the "**Proposed Amendments**") to certain provisions/articles in the memorandum of association and the articles of association of the Company. The special resolution in relation to the Proposed Amendments has been passed at the annual general meeting of the Company held on 29 June 2022 and the second amended and restated memorandum and articles of association have been adopted on the same date.

For details, please refer to the announcements of the Company dated 27 May 2022 and 29 June 2022 and the circular of the Company dated 27 May 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 (the "**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 except for the following deviation.

Pursuant to code provision C.1.6 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Our non-executive Director, Mr. Chen Yunwei was unable to attend the annual general meeting of the Company held on 29 June 2022 due to other commitments.

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 during the Reporting Period are set out below:

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 with effect from 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.

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 has maintained a sufficient public float as required under the Listing Rules during the Reporting Period.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2022, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CCTH 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

AUDIT COMMITTEE AND REVIEW OF 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 primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to assess the financial reporting system, internal control procedures and risk management function of the Company and making recommendations thereof.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Friday, 16 June 2023, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 June 2023.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT 2022

This annual results announcement is published on the website 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 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company 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.

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

Hong Kong, 30 March 2023

* *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.*

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.