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CHINA PUTIAN FOOD HOLDING LIMITED

中國普甜食品控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01699)

SUPPLEMENTAL ANNOUNCEMENT THE FINAL ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to (i) the announcement of China Putian Food Holding Limited (the “**Company**”) dated 30 March 2020 in relation to the preliminary unaudited annual results announcement of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 (the “**2019 Preliminary Results Announcement**”); and (ii) the announcements of the Company regarding the update on the annual results of the Company for the year ended 31 December 2019 dated 12 May 2020 and 29 May 2020, respectively. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the 2019 Preliminary Results Announcement.

As stated in the 2019 Preliminary Results Announcement, the annual results for the year ended 31 December 2019 contained therein was not then yet agreed by the Company’s auditor, HLB Hodgson Impey Cheng Limited (the “**HLB**”) as required under Rule 13.49(2) of the Listing Rules.

AUDITOR’S AGREEMENT ON THE 2019 ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the auditing process for the audited annual results of the Group for the year ended 31 December 2019 (the “**2019 Annual Results**”) has been completed on 29 May 2020, and has obtained the agreement from the HLB on the 2019 Annual Results (including the financial figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the 2019 Preliminary Results Announcement. The 2019 Annual Results contained in the 2019 Preliminary Results Announcement remain unchanged.

The 2019 Annual Results have been reviewed by the Audit Committee and were approved by the Board on 29 May 2020.

EXTRACT FROM THE INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual financial statements for the year ended 31 December 2019:

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 2019, 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 the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group's borrowings of approximately RMB401,424,000 will be matured within one year. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BASIS OF PREPARATION

Going Concern

As at 31 December 2019, the Group's borrowings of approximately RMB401,424,000 (2018: approximately RMB275,094,000) will be matured within one year. The ability of the Group's to repay the borrowing or extend the maturity date may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

In the opinion of the Directors, the Group is able to maintain itself as a going concern in the coming year by taking into consideration that:

- (i) The Group is taking measures to tighten cost control over various costs with an aim to attain profitable and positive cash flow operations;
- (ii) The Group has obtained the extension from the non-convertible noteholder and non-convertible bondholder to extend the maturity date of the non-convertible note and non-convertible bond to 31 May 2021;

- (iii) The Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future;
- (iv) The Directors are considering of taking various alternatives to strengthen the capital base of the Company through various fund raising exercises, including but not limited to, seek new investment and business opportunities, private placements, open offers or rights issue of new shares of the Company; and
- (v) The substantial shareholder of the Company, Mr. Cai Chenyang is willing to provide financial support to the Group to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due.

In light of the measures and arrangements as described above and with reference to a cash flow forecast in relation to the current business and financing plans of the Group, the Directors have concluded that the Group will have sufficient working capital to meet its financial obligations as and when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Preliminary Results Announcement have been agreed by the HLB. The work performed by the HLB 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 HLB on the 2019 Preliminary Results Announcement or this announcement.

AUDIT COMMITTEE REVIEW

The 2019 Annual Results have been reviewed and approved by the Audit Committee and the Audit Committee is of the opinion that the 2019 Annual Results comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended the Board's approval of the Group's consolidated financial statements for the year ended 31 December 2019.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the shareholders (the “**Shareholders**”) of Company is scheduled to be held on Thursday, 30 July 2020 (the “**2020 AGM**”). Notice and circular of the 2020 AGM will be delivered to the Shareholders in accordance with the Listing Rules and the articles of association of the Company in due course.

For the purpose of determining the Shareholders who are entitled to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Friday, 24 July 2020 to Thursday, 30 July 2020 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2020 AGM, all completed share transfer instruments accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 23 June 2020.

By order of the Board
China Putian Food Holding Limited
CAI Chenyang
Chairman

Hong Kong, 29 May 2020

As at the date of this announcement, the Board comprises Mr. CAI Chenyang, Mr. CAI Haifang and Ms. MA Yilin as executive Directors, Mr. CHENG Lian and Mr. CAI Zhiwei as non-executive Directors and Mr. XUE Chaochao, Mr. CAI Zirong and Mr. WANG Aiguo as independent non-executive Directors.