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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 2020**

Reference is made to the announcement of China Putian Food Holding Limited (the “**Company**”) dated 15 April 2021 in relation to the preliminary unaudited annual results announcement of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2020 (the “**2020 Preliminary Results Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the 2020 Preliminary Results Announcement.

As stated in the 2020 Preliminary Results Announcement, the annual results for the year ended 31 December 2020 contained therein was not then yet agreed by the Company’s auditor, HLB Hodgson Impey Cheng Limited (“**HLB**”) as required under Rule 13.49(2) of the Listing Rules.

#### **AUDITORS’ AGREEMENT ON THE 2020 ANNUAL RESULTS**

The Board is pleased to announce that the auditing process for the audited annual results of the Group for the year ended 31 December 2020 (the “**2020 Annual Results**”) has been completed on 22 June 2021, and has obtained the agreement from HLB on the 2020 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 2020 Preliminary Results Announcement. The 2020 Annual Results contained in the 2020 Preliminary Results Announcement remain unchanged.

The 2020 Annual Results have been reviewed by the Audit Committee and were approved by the Board on 22 June 2021.

## **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 2020:

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 2020, and of its consolidated financial performance and 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. On 31 December 2020, the Group's borrowings of approximately RMB365,035,000 will be matured within one year. 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 OF CONSOLIDATED FINANCIAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES**

### **Going Concern Assessment**

As at 31 December 2020, the Group's borrowings of approximately RMB365,035,000 will be mature within one year. The ability of the Group to repay the borrowings 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 an extension from the non-convertible noteholder and non-convertible bondholder to extend the maturity date of the non-convertible note of approximately RMB92,580,000 and non-convertible bond of approximately RMB132,413,000 to 31 May 2022;

- (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 various alternatives to strengthen the capital base of the Company through various fund raising exercises, including but not limited to, 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 having reviewed the cash flow forecast 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 2020 as set out in the 2020 Preliminary Results Announcement have been agreed by HLB to the amounts set out in the audited consolidated financial statements for the year. The work performed by 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 HKICPA and consequently no assurance has been expressed by HLB on the 2020 Preliminary Results Announcement or this announcement.

#### **AUDIT COMMITTEE REVIEW**

The 2020 Annual Results have been reviewed and approved by the Audit Committee and the Audit Committee is of the opinion that the 2020 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 2020.

## **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 Friday, 6 August 2021 (the “**2021 AGM**”). Notice and circular of the 2021 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 entitlement of the Shareholders to the right to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Monday, 2 August 2021 to Friday, 6 August 2021, (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 2021 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 Friday, 30 July 2021.

## **PUBLICATION OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020, NOTICE, CIRCULAR AND PROXY FORM FOR THE 2021 AGM**

Due to the delay in the publication of the 2020 Annual Results, it is expected that, subject to no unforeseen circumstances, the annual report of the Group for the year ended 31 December 2020, notice of the 2021 AGM, circular for the 2021 AGM and proxy form for the 2021 AGM will be despatched on or before 7 July 2021.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company was suspended on the Stock Exchange with effect from 9:00 a.m. on 1 April 2021 pending the publication of the 2020 Annual Results. Application has been made by the Company to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:00 a.m. on 23 June 2021.

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

Hong Kong, 22 June 2021

*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.*