GREEN LEADER HOLDINGS GROUP LIMITED
綠領控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Director(s)**") of Green Leader Holdings Group Limited (the "**Company**") together with its subsidiaries (collectively, the "**Group**") present the audited consolidated annual results of the Group for the year ended 31 December 2020 together with the comparative figures for the corresponding year in 2019 as follows:

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Revenue	**1,303,796**	944,258
Gross profit	**127,867**	100,148
Loss for the year	**(660,458)**	(1,204,859)
Loss attributable to owners of the Company	**(312,362)**	(695,650)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
Revenue	4	**1,303,796**	944,258
Cost of sales and services rendered		**(1,175,929)**	(844,110)
Gross profit		**127,867**	100,148
Other operating income	4	**23,778**	69,350
Selling and distribution expenses		**(4,406)**	(4,206)
Administrative and other operating expenses		**(283,442)**	(590,958)
Change in fair value of derivative component of convertible loan notes		**(27,870)**	22,843
Impairment loss recognised in respect of mining rights, net		**(170,267)**	(336,249)
Impairment loss recognised in respect of property, plant and equipment, net		**(120,962)**	(160,102)
Impairment loss recognised in respect of financial assets under expected credit loss model, net		**(35,946)**	(9,149)
Finance costs	5	**(361,665)**	(415,590)
Loss before taxation	6	**(852,913)**	(1,323,913)
Income tax credit	7	**192,455**	119,054
Loss for the year		**(660,458)**	(1,204,859)
Loss for the year attributable to:			
Owners of the Company		**(312,362)**	(695,650)
Non-controlling interests		**(348,096)**	(509,209)
		(660,458)	(1,204,859)
			(restated)
Loss per share *(HK cents)*			
Basic and diluted	9	**(63)**	(159)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020	2019
	HK$'000	*HK$'000*
Loss for the year	**(660,458)**	(1,204,859)
Other comprehensive expense		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations:		
– Exchange difference arising during the year	**(40,939)**	(5,875)
– Reclassification adjustments on disposal of foreign subsidiaries	**–**	(13)
Other comprehensive expense for the year	**(40,939)**	(5,888)
Total comprehensive expense for the year	**(701,397)**	(1,210,747)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(345,913)**	(697,339)
Non-controlling interests	**(355,484)**	(513,408)
	(701,397)	(1,210,747)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment		**1,810,589**	1,699,009
Mining rights		**4,965,468**	5,273,466
Intangible assets		**15,970**	18,299
Goodwill		**–**	–
Deposits paid for acquisition of land use rights		**–**	35,946
Deposits paid for acquisition of property, plant and equipment		**11,114**	22,910
		6,803,141	7,049,630
Current assets			
Inventories		**6,283**	16,456
Trade receivables	*11*	**117,855**	55,904
Prepayments, deposits, bills receivables and other receivables		**96,640**	43,796
Amounts due from related companies		**5,980**	5,750
Amounts due from directors		**235**	233
Derivative component of convertible loan notes		**–**	28,719
Cash and cash equivalents		**48,097**	45,788
		275,090	196,646
Current liabilities			
Trade payables	*12*	**1,798**	1,796
Other payables		**623,838**	613,013
Amount due to a director		**13,108**	13,108
Amounts due to non-controlling interests		**5,572,551**	1,128,128
Other borrowings		**313,621**	23,202
Liabilities component of convertible loan notes		**–**	660,722
Derivative component of convertible loan notes		**–**	850
Lease liabilities		**10,327**	8,548
Income tax liabilities		**600**	5,096
		6,535,843	2,454,463
Net current liabilities		**(6,260,753)**	(2,257,817)
Total assets less current liabilities		**542,388**	4,791,813

	Note	2020 HK$'000	2019 HK$'000
Capital and reserves			
Share capital	*10*	**105,252**	87,732
Reserves		**(2,726,156)**	(2,542,167)
Capital deficiencies attributable to owners of the Company		**(2,620,904)**	(2,454,435)
Non-controlling interests		**1,196,916**	1,552,400
Total capital deficiencies		**(1,423,988)**	(902,035)
Non-current liabilities			
Amounts due to non-controlling interests		**–**	3,805,546
Provision for restoration, rehabilitation and environmental costs		**83,414**	75,914
Liabilities component of convertible loan notes		**310,059**	–
Amounts due to related companies		**125,891**	159,576
Other payables		**422,112**	508,478
Lease liabilities		**49,023**	20,486
Deferred tax liabilities		**975,877**	1,123,848
		1,966,376	5,693,848
		542,388	4,791,813

NOTES

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is Unit A, 12/F., Central 88, 88–98 Des Voeux Road Central, Hong Kong.

The principal activities of the Company are investment holding and provision of finance and treasury services to the Group. The Group was principally engaged in (i) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; (ii) coal exploration and development, sales of coking coal and other coal products and the provision of coal trading and logistics services; and (iii) the sales of information technology products and provision of system integration services, technology services, software development and solution services.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institution of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the disclosure requirements of the Hong Kong Companies Ordinance ("**HKCO**") Cap.622.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar ("**HK$'000**"), unless otherwise stated, which is also the functional currency of the Company. The Directors consider HK$ is the appropriate presentation currency for the users of the Group's consolidated financial statements. The functional currency of the Company's major subsidiaries in the People's Republic of China ("**PRC**") and the Kingdom of Cambodia ("**Cambodia**") are Renminbi ("**RMB**") and United States dollar ("**US$**") respectively.

The consolidated financial statements have been prepared on the historical cost basis at the end of the reporting period except for derivative component of convertible loan notes which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern basis

The Group incurred a loss of approximately HK$660,458,000 for the year ended 31 December 2020 and as of that date, the Group had net current liabilities and net liabilities of approximately HK$6,260,753,000 and approximately HK$1,423,988,000 respectively whereas its cash and cash equivalents amounted approximately HK$48,097,000 only as at the same date. Besides, included in the net current liabilities of the Group, there are other borrowings related to convertible loan notes issued in 2017 by the Company with carrying amounts of approximately HK$312,000,000 ("**2017 Convertible Loan Notes**") which were matured on 10 July 2020 and amounts due to non-controlling interests of approximately HK$5,572,551,000 was either past due as at 31 December 2020 or will be matured on or before 31 December 2021.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2020 after taking into consideration of the following:

(i) the Group is negotiating with non-controlling interests of the amounts due by the Group for extending the repayment due date;

(ii) the Group is negotiating with the holder of 2017 Convertible Loan Notes to restructure the repayment timetable; and

(iii) external facilities shall be available to the Group.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to continue as a going concern, which will depend upon the Group's ability to generate adequate financial and operating cash flows through the following:

(i) successfully negotiation with non-controlling interests to extend the repayment due dates;

(ii) successfully negotiation with the holder of 2017 Convertible Loan Notes to restructure the repayment timetable of the Group's financial obligations; and

(iii) successfully obtaining external facilities for fulfilling its other existing financial obligations.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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 not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[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 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 June 2020.
5 Effective for annual periods beginning on or after 1 January 2021.

The Directors anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the Board (being the chief operating decision maker ("**CODM**")) for the purpose of resources allocation and performance assessment are as follows:

Cassava starch operation	–	Provision of cultivation and processing of cassava starch for sale
Mining operation	–	Geological survey, exploration and development of coal deposits, and selling of coking coal and other coal products
Coal operation	–	Provision of coal trading and logistics services
Systems integration services and software solutions	–	Sales of information technology products, provision of systems integration services, technology services, software development and solution services

For management purpose, the Group is organised into business units based on their products and services. The management of the Group monitors the operating results of its business units separately for the purposes of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the consolidated statement of profit or loss.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews other segment information.

Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable and operating segments.

	Systems integration services and software solutions		**Mining operation**		**Coal operation**		**Cassava starch operation**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
For the year ended 31 December										
REVENUE										
Sales to external customers	**–**	202	**1,303,796**	944,056	**–**	–	**–**	–	**1,303,796**	944,258
RESULTS										
Segment loss	**(179)**	(9,938)	**(375,474)**	(779,392)	**–**	–	**(39,315)**	(89,406)	**(414,968)**	(878,736)
Change in fair value of derivative component of convertible loan notes									**(27,870)**	22,843
Unallocated income									**2,818**	1,122
Unallocated expenses									**(51,228)**	(53,552)
Finance costs									**(361,665)**	(415,590)
Loss before taxation									**(852,913)**	(1,323,913)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of central administrative expenses, including directors' and chief executive's emoluments, change in fair value of derivative component of convertible loan notes, certain other income and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

For the purpose of assessment by the CODM, the finance cost of amounts due to non-controlling interests, advances drawn on discounted bills and leases liabilities were not included in segment results while the corresponding liabilities have been included in the segment liabilities.

4. REVENUE AND OTHER OPERATING INCOME

(i) Revenue from goods and services

Disaggregation of revenue

Segments	Systems integration services and software solutions		Mining operation		Coal operation		Cassava starch operation		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Types of goods or services										
Sales of goods										
– Raw coals	**–**	–	**15,483**	607,017	**–**	–	**–**	–	**15,483**	607,017
– Cleaned coals	**–**	–	**1,134,123**	318,259	**–**	–	**–**	–	**1,134,123**	318,259
– Other coal products	**–**	–	**154,190**	18,780	**–**	–	**–**	–	**154,190**	18,780
Provision of system integration services and software solution	**–**	202	**–**	–	**–**	–	**–**	–	**–**	202
	–	202	**1,303,796**	944,056	**–**	–	**–**	–	**1,303,796**	944,258
Timing of revenue recognition										
A point in time	**–**	202	**1,303,796**	944,056	**–**	–	**–**	–	**1,303,796**	944,258

(ii) Other operating income

	2020	2019
	HK$'000	*HK$'000*
Bank interest income	**888**	57
Gain on disposal of property, plant and equipment	**2,608**	–
Gain on disposal of subsidiaries	**–**	1,119
Gain on extinguishment of convertible loan notes	**2,126**	–
Government grants *(Note)*	**4,927**	29,902
Sundry income	**1,764**	4,292
Waiver of other payables	**11,465**	33,980
	23,778	69,350

Note:

Government grants mainly represent subsidies granted by the government authority to compensate the Group's relocation expenses already incurred with no future related costs to be incurred. There is no unfulfilled condition or contingencies relating to such government subsidies recognised.

5. FINANCE COSTS

	2020 HK$'000	2019 HK$'000
Effective interest expense on convertible loan notes	**77,754**	119,196
Interest on other borrowings and advances drawn on discounted bills	**10,412**	2,944
Interest on lease liabilities	**2,916**	8,961
Interest on amounts due to non-controlling interests	**350,722**	353,232
	441,804	484,333
Less: amounts capitalised in construction in progress	**(83,031)**	(71,866)
Imputed interest for provision for restoration, rehabilitation and environmental costs	**2,892**	3,123
	361,665	415,590

6. LOSS BEFORE TAXATION

	2020 HK$'000	2019 HK$'000
Loss before taxation has been arrived at after charging:		
Auditor's remuneration		
– Audit services	**1,620**	2,550
– Non-audit services	**700**	750
Amortisation of mining rights (included in cost of sales and services rendered)	**413,756**	315,756
Amortisation of intangible assets (included in cost of sales and services rendered)	**2,649**	2,318
Amounts of inventories recognised as expense:		
– System integration services and software solutions and cassava starch operation	**–**	195
– Mining and coal operations	**1,166,188**	843,915
	1,166,188	844,110

7. INCOME TAX CREDIT

	2020	2019
	HK$'000	*HK$'000*
Current tax expense:		
PRC Enterprise Income Tax (the "**EIT**")	**10,150**	43,946
Deferred tax credit	**(202,605)**	(163,000)
Income tax credit	**(192,455)**	(119,054)

(i) Pursuant to the rules and regulations of Bermuda, Independent State of Samoa ("**Samoa**") and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in Bermuda, Samoa and the BVI.

(ii) No provisions for Hong Kong Profits Tax have been made for subsidiaries established in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax for both years.

(iii) Profits of the subsidiaries established in PRC are subject to PRC EIT.

Under the Law of PRC on EIT (the "**EIT Law**") and Implementation Regulation of EIT Law, the tax rate of PRC subsidiaries is 25% for both years.

(iv) No provision for Cambodia corporate income tax have been made for subsidiaries established in Cambodia as these subsidiaries did not have any assessable profits subject to Cambodia corporate income tax for both years.

8. DIVIDENDS

No dividend was paid or proposed for both years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$312,362,000 (2019: approximately HK$695,650,000) and the weighted average number of ordinary shares of 494,428,052 (2019: 437,059,190 (restated)) in issue during the year.

The weighted average number of ordinary shares for the year ended 31 December 2019 for the purposes of calculating basic and diluted loss per share have been adjusted for the capital reorganisation which took place on 7 August 2020.

The calculation of diluted loss per share for the years ended 31 December 2020 and 2019 does not assume the conversion of convertible loan notes and exercise of share options, since these conversion and exercise would result in an anti-dilutive effect on basic loss per share.

10. SHARE CAPITAL

	Number of shares		Share capital	
	2020	2019	**2020**	2019
			HK$'000	*HK$'000*
Ordinary share of HK$0.2 (2019: HK$0.01) each				
Authorised:				
As at 1 January	**200,000,000,000**	200,000,000,000	**2,000,000**	2,000,000
Share consolidation *(Note c)*	**(190,000,000,000)**	–	**–**	–
As at 31 December	**10,000,000,000**	200,000,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
As at 1 January	**8,773,232,014**	7,311,032,014	**87,732**	73,110
Issue of shares upon:				
Placing of new ordinary shares *(Note a)*	**–**	1,462,200,000	**–**	14,622
Subscription of new shares *(Note b)*	**1,751,976,070**	–	**17,520**	–
Shares consolidation *(Note c)*	**(9,998,947,680)**	–	**–**	–
As at 31 December	**526,260,404**	8,773,232,014	**105,252**	87,732

Notes:

a. On 14 December 2018, the Company entered into a placing agreement with a placing agent for placing a maximum of 1,462,200,000 ordinary shares (the "**Placing Shares**") of the Company at a placing price of HK$0.04 per shares. On 9 January 2019, 1,462,200,000 Placing Shares were placed by certain independent third parties at a subscription price of HK$0.04 per share. The net proceeds of approximately HK$58,170,000 will be intended to apply towards repayment of indebtedness of the Group, for business development in Cambodia and general working capital.

b. On 22 April 2020, the Company entered into a conditional subscription agreements which each of the subscribers subscribe an aggregate of 1,751,976,070 new ordinary shares at a price ranging from HK$0.019 to HK$0.0212 per share. On 13 May 2020, 1,751,976,070 shares were completed to subscribe by certain independent third parties at a subscription price ranging from HK$0.019 to HK$0.0212 per share. The net proceeds of approximately HK$36,094,000 will be intended to apply towards repayment of indebtedness, set off outstanding indebtedness owned by the Company to certain subscribers and general working capital.

c. Pursuant to an ordinary resolution passed by shareholders at the special general meeting held on 5 August 2020, the share consolidation of every twenty issued and unissued shares of HK$0.01 each into one consolidated share of HK$0.2 each became effective on 7 August 2020.

11. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables (net of allowance for credit losses)	**117,855**	55,904

The Group normally grants to its customers credit periods ranging from 30 days to 60 days (2019: from 30 days to 60 days) which are subject to periodic review by management.

The aging analysis of the trade receivables, net of allowance for credit losses, based on earlier of the invoice date or revenue recognition date at the end of the reporting period was as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**110,782**	55,785
31 days to 60 days	**–**	–
61 days to 90 days	**6,948**	–
91 days to 180 days	**–**	–
181 days to 365 days	**–**	–
Over 365 days	**125**	119
	117,855	55,904

12. TRADE PAYABLES

The aging analysis of the trade payables based on the invoiced date at the end of the reporting period was as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**–**	–
31 days to 60 days	**–**	–
61 days to 90 days	**–**	–
91 days to 180 days	**–**	16
181 days to 365 days	**–**	–
Over 365 days	**1,798**	1,780
	1,798	1,796

The average credit period on purchases of goods is 90 days (2019: 90 days).

13. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2020	2019
	HK$'000	*HK$'000*
Contracted but not provided for in respect of:		
– acquisition of property, plant and equipment	**454,318**	207,362
– acquisition of land use rights in Cambodia	**462,915**	462,915
	917,233	670,277

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the "Independent Auditor's Report" on the consolidated financial statements of the Group for the year ended 31 December 2020.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

As described in Note 2 to the consolidated financial statements, the Group incurred a net loss of approximately HK$660,458,000 during the year ended 31 December 2020 and as of that date, the Group had net current liabilities and net liabilities of approximately HK$6,260,753,000 and HK$1,423,988,000 respectively whereas its cash and cash equivalents amounted to approximately HK$48,097,000 only as at the same date. Besides, included in the net current liabilities of the Group, there are other borrowings related to the convertible loan notes issued in 2017 by the Company with carrying amounts of approximately HK$312,000,000 ("**2017 Convertible Loan Notes**") which were matured on 10 July 2020 and amounts due to non-controlling interests of approximately HK$5,572,551,000 was either past due as at 31 December 2020 or will be matured on or before 31 December 2021.

These conditions, together with other matters described in Note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors have been undertaking certain measures as set out in Note 2 to the consolidated financial statements to improve the Group's liquidity and financial position. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) negotiation with non-controlling interests of amounts due by the Group for extending the repayment due dates; (ii) negotiation with the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable; and (iii) external facilities shall be available to the Group.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to reclassify the Group's non-current assets and non-current liabilities as current assets and current liabilities respectively, to write down the carrying amounts of the Group's assets to their recoverable amounts and to provide for any further liabilities which may arise. The effect of these adjustments have not been reflected in the consolidated financial statements.

MANAGEMENT VIEW ON GOING CONCERN

The Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2020 after taking into consideration of the following:

(i) the Group is negotiating with non-controlling interests of the amounts due by the Group for extending the repayment due dates;

(ii) the Group is negotiating with the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable; and

(iii) external facilities shall be available to the Group.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to continue as a going concern, which will depend upon the Group's ability to generate adequate financial and operating cash flows through the following:

(i) successfully negotiation with non-controlling interests to extend the repayment due dates;

(ii) successfully negotiation with the holder of 2017 Convertible Loan Notes to restructure the repayment timetable of the Group's financial obligations; and

(iii) successfully obtain external facilities for fulfilling its other existing financial obligations.

The Group has commenced the following action plans to remove the Disclaimer of Opinion:

(a) the Group is in the negotiation with the non-controlling interests of the amounts due by the Group for extending the repayment due dates;

(b) the Group is in the negotiation with the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable of the Group's financial obligations; and

(c) the Group is actively seeking external facilities and fund raising opportunities.

During the year, the Group had successfully completed the extension of the convertible loan notes in the aggregate principal amount of HK$395,000,000 with the relevant holders. Up to the date of this announcement, the Group is still negotiating with the non-controlling interests and the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable of the Group's financial obligations and have not yet been concluded.

In respect of seeking external facilities and fund raising opportunities, the Group had approached and in the negotiation with a number of financial institutions in PRC. Up to the date of this announcement, the negotiations are still in progress but the Group has not concluded or reached any agreements with those financial institutions.

The Group's ability to continue as a going concern will depend upon the Group's ability to generate adequate financial cash flows. Assuming that the Group can successfully implement the aforesaid measures, the Group considers it would address the going concern issues.

For the avoidance of doubt, in accordance with the applicable Hong Kong Standards on Auditing, the auditor needs to obtain sufficient appropriate audit evidence and to consider, based on the audit evidence to be obtained, whether material uncertainty exists regarding the Group's ability to continue as going concern. As such, assuming the successful implementation of the action plan in time with sufficient and appropriate audit evidence can be provided, the Disclaimer of Opinion is expected to be removed in the consolidated financial statements of the Group for the year ending 31 December 2021.

The audit committee of the Company (the "**Audit Committee**") has reviewed the Disclaimer of Opinion relating to going concern, the management views on going concern and the action plan of the Group, and concurs with the Board's view.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company will be held on Thursday, 3 June 2021. The notice of AGM will be sent to the shareholders of the Company (the "**Shareholders**") at least 20 clear business days before AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM to be held on Thursday, 3 June 2021, the register of member of the Company will be closed from 31 May 2021 to 3 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 28 May 2021 at 4:30 p.m.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Loss for the year

For the year ended 31 December 2020, the Group had recorded a loss of approximately HK$660,458,000 (2019: approximately HK$1,204,859,000), representing a significant decrease of loss of approximately HK$544,401,000 or 45%.

The decrease in the loss for the year was mainly attributable to the combined effects of the factors as stated below:

(i) Revenue

The increase in revenue from approximately HK$944,258,000 for the year ended 31 December 2019 to approximately HK$1,303,796,000 for the year ended 31 December 2020 due to the increase in the sales volume of the mining products in the year;

(ii) Gross profit

The increase in gross profit from approximately HK$100,148,000 for the year ended 31 December 2019 to approximately HK$127,867,000 for the year ended 31 December 2020 as the proportion on the increase in revenue is larger than the increase in cost of sales and services rendered;

(iii) Impairment loss recognised in respect of mining rights and property, plant and equipment

For the year ended 31 December 2020, impairment loss recognised in respect of mining rights and property, plant and equipment of approximately HK$291,229,000 (2019: approximately HK$496,351,000). The decrease in estimated value in use amount of the Group's coal mines located in Shanxi Province ("**Shanxi**"), PRC was the combined results of the change of production schedules of one of the coal mines, coal prices and recovery rates of cleaned coals adopted for an independent valuation report as at 31 December 2020. For more details regarding the valuation of coal mines, please refer to the section headed "VALUATION OF COAL MINES" stated later;

(iv) Administrative and other operating expenses

The decrease in administrative and other operating expenses from approximately HK$590,958,000 for the year ended 31 December 2019 to approximately HK$283,442,000 for the year ended 31 December 2020 is mainly due to the significant decrease in relocation and removal expense.

(v) Finance costs

Finance costs mainly consisted of interest expenses on borrowings from non-controlling interest, convertible loan notes and other borrowings and advances drawn on discounted bills. Interest expenses on borrowings relating to construction in progress for coal mines are capitalised to the extent that they are directly attributable and used to finance the projects. Finance costs were calculated from total borrowing costs less interest expenses capitalised.

For the year ended 31 December 2020, finance costs amounted to approximately HK$361,665,000 (2019: approximately HK$415,590,000), decreasing by approximately HK$53,925,000 resulting from the decrease in total borrowing costs and the increase in interest expenses capitalised. Interest expenses capitalised over the years increased from approximately HK$71,866,000 to approximately HK$83,031,000 as one of the mines has sharply increased in construction in progress in the year.

Loss attributable to owners of the Company

For the year ended 31 December 2020, the loss attributable to owners of the Company was approximately HK$312,362,000 (2019: approximately HK$695,650,000), mainly due to (i) the decrease in impairment loss recognised in respect of mining rights and property, plant and equipment to approximately HK$291,229,000 for the year 2020 while an impairment loss of approximately HK$496,351,000 for the year 2019 and (ii) decrease in administrative and other operating expenses of approximately HK$307,516,000 for the year ended 31 December 2020.

Valuation of coal mines

The decrease in recoverable amounts of coal mines as at 31 December 2020 was mainly due to the change of production schedules of one of the coal mines, coal prices and recovery rates of cleaned coals. Greater China Appraisal Limited ("**Greater China**"), an independent qualified professional valuer, estimated the recoverable amounts of the coal mining business based on income approach using a discount rate of 12.56% (31 December 2019: 13.33%) and expected cleaned coal price of RMB877 per tonne (31 December 2019: expected cleaned coal price of RMB885 per tonne) based on information obtained from Shanxi.

The operation of the Bolong Mine was further delayed due to the effect of the outbreak of COVID-19 and reorganisation and consolidation of Bolong Mine and Xinfeng Mine which was approved by Shanxi government in February 2020. Please refer to "BUSINESS REVIEW" section for details.

Greater China has consistently applied the income approach for the valuation of coal mines as at 31 December 2020, 31 December 2019 and 31 December 2018 (the "**Reporting Periods**") respectively. The income approach is applied for this valuation as the economic benefit streams can be identified and ascertained based on the mining plans and planned capital expenditure to be incurred, as well as other cost estimates. This method is commonly used in, and widely accepted for, the valuation of mineral assets and resources project. The key assumptions and parameters in the valuation of coal mines as at the Reporting Periods are set out as below:

	Reporting Periods		
	31 December 2020	31 December 2019	31 December 2018
Methodology	**Income Approach**	Income Approach	Income Approach
Key Assumptions			
1. Production Schedule			
– Safe Production Date			
Bolong Mine	**Fourth quarter of 2021**	First quarter of 2021	Third quarter of 2019
Fuchang Mine	**Operating**	Operating	Operating
Jinxin Mine	**Operating**	Operating	Third quarter of 2019
Liaoyuan Mine	**Operating**	Operating	Third quarter of 2019
Xinfeng Mine	**Note II**	Note II	Third quarter of 2020
2. Raw Coal Price *(per tonne)*	**–**	–	RMB517
Cleaned Coal Price *(per tonne)*	**RMB877**	RMB885	–
3. Recovery rate (cleaned coal)	**47.5%–53.4%**	**53%–62%**	–
4. Discount Rate (post-tax)	**12.56%**	13.33%	13.45%
5. Mine Operating Costs, Capital Expenditures and Production Schedule (annual production)	**Based on technical report issued by John T. Boyd ("JT Boyd") in 2017**	Based on technical report issued by JT Boyd in 2017	Based on technical report issued by JT Boyd in 2017
6. Allowable annual working days	**276 days**	276 days	276 days

Note I: As shown in the above table, the primary change in valuation assumption would be the adoption of different coal prices in between the raw coal price and cleaned coal price in the years and delay in mines' commercial operation schedule. The coal price is based on the existing and past quoted commodity prices in the mining industry. The production schedule is affected by the policies and regulations issued applicable to the coal industry. The coal mines under construction inevitably experienced construction delay or suspension, therefore reducing the effectiveness of construction period during the year, leading to further extension of the respective construction period. There was no change in valuation methodology in those valuations. For discount rate, calculation of weighted average cost of capital ("**WACC**") is based on market participant's data which are varied daily due to new information and changing market expectation every day.

Note II: Mine reorganisation and consolidation for Bolong Mine and Xinfeng Mine proposal was approved by the Shanxi government in February 2020. The expected production schedule for Safe Production Date of Xinfeng Mine is after finishing the production of Bolong Mine.

BUSINESS REVIEW

Overview

The Group has been focusing on coal mining business in the financial year 2020. The Group is principally engaged in (i) coal exploration and development, sale of coking coal and other coal products and the provision of coal trading and logistics services; (ii) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; and (iii) the sale of information technology products, provision of system integration services, technology services, software development and solution services.

Coal mining business

Despite the continuing posing challenges for constructions delay uncertainty and the effect of the outbreak of COVID-19, the financial performance in the year 2020 of the coal mining business has been promising for the Group overall. The Group has five coking coal mines, Fuchang Mine, Jinxin Mine, Liaoyuan Mine, Bolong Mine and Xinfeng Mine, located in Gujiao, Taiyuan City, Shanxi, the PRC, three of which had fully commenced in operation and the Bolong Mine was undergoing constructions in the year.

The coal mines in operation during the year were Fuchang Mine, Jinxin Mine and Liaoyuan Mine, which entered the joint trial operation in October 2016, August 2018 and September 2018 respectively, passed the inspection for completion in January 2017, December 2018 and December 2018 respectively and obtained《安全生產許可證》(the Permit for Safe Production*) in April 2017, April 2019 and March 2019 respectively. The expected production capacity of Fuchang Mine, Jinxin Mine and Liaoyuan Mine are 600,000 tonnes per year, 450,000 tonnes per year and 600,000 tonnes per year respectively.

* *For identification purpose only*

To facilitate the structural reform by the state on the supply side of coal, coal enterprises are required to support the implementation of policies on dissolving excessive capacity. Moreover, as the state tightens requirements on and ramps up inspection efforts in the design, safety, and environmental protection aspects of coal mines under construction, relevant policies and regulations issued in recent years on safety and environmental protection applicable to the coal industry become increasingly stringent and refined.

As affected by the policies and outbreak of COVID-19, the Group's coal mines under construction inevitably experienced construction delay or suspension, therefore reducing the effectiveness of construction period during the year, leading to further extension of the respective construction period. As such, the critical production stages of the remaining coal mines under construction faced significant uncertainties.

In February 2020, the mine reorganisation and consolidation proposal for Bolong Mine and Xinfeng Mine was approved by the Shanxi government. The expected production schedule for Safe Production Date of Xinfeng Mine is after finishing the production of Bolong Mine. Also, the Shanxi government approved the expected production capacity of Jinxin Mine can be increased from 450,000 tonnes per year to 600,000 tonnes per year. The above reorganisation and changes will be effective only certain conditions are fulfilled such as the statutory records are updated and the required work are done.

Cambodia business

The Group is seeking business opportunities related to cassava-based agricultural and deep processing business in Cambodia.

Environmental, social and corporate responsibility

As a responsible corporation, the Group is committed to maintaining a higher environmental and social standards to ensure sustainable development of its business. Save as disclosed in the section headed "COMPLIANCE WITH REGULATIONS", the Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

LIQUIDITY AND FINANCIAL RESOURCES

Total Equity

As at 31 December 2020, the Group recorded total assets of approximately HK$7,078,231,000 (2019: approximately HK$7,246,276,000), which were financed by total liabilities of approximately HK$8,502,219,000 (2019: approximately HK$8,148,311,000) and total capital deficiencies of approximately HK$1,423,988,000 (2019: approximately HK$902,035,000).

Gearing

As at 31 December 2020, the Group's gearing ratio as computed as the Group's other borrowings, lease liabilities, liabilities component of convertible loan notes over total equity. Gearing ratio is not meaningful as total equity of the Group was deficit as at 31 December 2020 and 31 December 2019.

Liquidity

The Group had total cash and cash equivalents of approximately HK$48,097,000 as at 31 December 2020 (2019: approximately HK$45,788,000). The Group did not have any bank borrowings for both years.

SHARE CAPITAL AND CAPITAL STRUCTURE

As at 31 December 2020, the Company had 526,260,404 shares of HK$0.2 each in issue (31 December 2019: 8,773,232,014 shares of HK$0.01 each in issue). Pursuant to the ordinary resolution passed by the Shareholders at the special general meeting held on 5 August 2020, the share consolidation of every twenty (20) issued and unissued shares of HK$0.01 each into one (1) consolidated share of HK$0.2 each became effective on 7 August 2020.

CONTINGENT LIABILITY AND CAPITAL COMMITMENTS

The Group had no material contingent liability as at 31 December 2020 and 2019.

The Group had capital commitments for the acquisition of property, plant and equipment which were contracted but not provided for as at 31 December 2020 of approximately HK$917,233,000 (2019: approximately HK$670,277,000).

FUND RAISING ACTIVITIES

Subscription of Shares

Reference is made to the Company's announcements dated 22 April 2020, 27 April 2020, 4 May 2020 and 6 May 2020 in relation to (a) the proposed issue of 487,827,170 new Shares (equivalent to 24,381,358 Shares after share consolidation becoming effective) under General Mandate to three (3) independent subscribers; and (b) the proposed issue of 1,264,148,900 new Shares (equivalent to 63,207,445 Shares after share consolidation becoming effective) under General Mandate to eleven (11) independent subscribers for settlement of the Outstanding Indebtedness. Unless the context requires, capitalised terms used herein shall bear the same meanings as defined.

For Subscription A, the gross proceeds are approximately HK$10,342,000 (the net proceeds are approximately HK$10,294,000) and have been applied towards repayment of indebtedness and the general working capital of the Group. For Subscription B, the gross proceeds are approximately HK$25,848,000 (the net proceed are approximately HK$25,800,000) and have been used to set off against the Outstanding Indebtedness.

All the conditions set out in the subscription agreements for Subscription A and Subscription B have been fulfilled and the completion of took place on 13 May 2020, where an aggregate of 487,827,170 new Shares (equivalent to 24,381,358 Shares after share consolidation becoming effective) (Subscription A) and 1,264,148,900 new Shares (equivalent to 63,207,445 Shares after share consolidation becoming effective) (Subscription B) have been successfully issued and allotted to the Subscribers pursuant to the terms and conditions of the Subscription Agreements. For details, please refer to the relevant announcements of the Company.

Use of Proceeds

The abovesaid subscriptions has been completed on 13 May 2020. As at 31 December 2020, an updated use of proceeds is as follows:

Event	Net Proceeds and intended use of proceeds	Actual use of proceeds
Subscription of an aggregate of 487,827,170 new Shares (equivalent to 24,381,358 Shares after share consolidation becoming effective) by Subscribers pursuant to three (3) conditional subscription agreements each dated 22 April 2020 entered into between the Company and each of the Subscribers respectively	The net proceeds of approximately HK$10,294,000 will be applied towards repayment of indebtedness and the general working capital of the Group	The proceeds have been used as intended
Subscription of an aggregate of 1,264,148,900 new Shares (equivalent to 63,207,445 Shares after share consolidation becoming effective) by Subscribers pursuant to eleven (11) conditional subscription agreements each dated 22 April 2020 entered into between the Company and each of the Subscribers respectively	The net proceeds from the Subscription of approximately HK$25,800,000 will be used to set off the outstanding indebtedness owned by the Company to the Subscribers under the Loan Agreements (as defined in the announcement of the Company dated 22 April 2020)	The proceeds have been used to set off the outstanding indebtedness owned by the Company under the Loan Agreements

ACQUISITION OF MINORITY INTEREST IN A COAL MINING COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

Reference is made to the Company's announcements dated 25 May 2020, 26 May 2020, 15 June 2020, 29 June 2020, 29 July 2020, 31 August 2020, 29 September 2020, 29 October 2020, 27 November 2020 and 31 December 2020 in respect of the discloseable transaction relating to investment in a coal mining company involving issue of consideration shares under specific mandate. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined.

The Agreement has been ceased on 31 December 2020 as the conditions precedent of the Agreement, including the passing of all necessary resolutions by the Shareholders to approve the allotment and issue of the Consideration Shares, have not been fulfilled and the Company has no intention to extend the Long Stop Date. The Company is of the view that the termination of the Agreement shall have no material adverse impacts on the business, operations and financial position of the Group. Details can be referred to the relevant announcements of the Company.

SHARE CONSOLIDATION

First Share Consolidation

Reference was made to the Company's circular dated 5 June 2020 and the Company's announcements dated 23 April 2020, 8 May 2020, 29 May 2020 and 26 June 2020 in relation to, among others, the proposed share consolidation (the "**First Share Consolidation**"). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined. The Board proposed that every twenty (20) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. Assuming the First Share Consolidation had already been effective, the value of each board lot of 10,000 Consolidated Shares would be HK$4,000.

The First Share Consolidation has been terminated as the resolution was not passed by the Shareholders at the SGM on 26 June 2020. Details can be referred to the Company's announcement dated 26 June 2020.

Second Share Consolidation

Reference was made to the Company's circular dated 20 July 2020 and the Company's announcements dated 30 June 2020, 13 July 2020, 17 July 2020, 24 July 2020, 4 August 2020 and 5 August 2020 in relation to, among others, the proposed share consolidation (the "**Second Share Consolidation**") and change of board lot size in order to comply with Rule 13.64 of the Listing Rules. Unless the context requires, capitalised terms used herein shall bear the same meanings as defined.

The Board proposed that every twenty (20) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. Upon the Second Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 20,000 Consolidated Shares.

The Second Share Consolidation and the transactions contemplated thereunder have been passed as the ordinary resolution by the Shareholders at the SGM on 5 August 2020. Details can be referred to the relevant announcements of the Company.

CONVERTIBLE LOAN NOTES

Reference was made to the Company's circular dated 30 September 2020 and the Company's announcements dated 22 July 2020, 24 July 2020, 29 July 2020, 13 August 2020, 11 September 2020 and 19 October 2020 in respect of the connected transaction relating to, among others, the proposed issue of convertible loan notes under specific mandate (the "**2020 Convertible Loan Note**"). Unless the context requires, capitalised terms used herein shall bear the same meanings as defined.

The Company entered into the Subscription Agreements with the Subscribers, pursuant to which each of the Subscribers has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the 2020 Convertible Loan Notes, which would offset against the amount due by the Company under the convertible loan notes issued in 2018.

The 2020 Convertible Loan Notes is a zero coupon loan notes and will be matured on the second anniversary of the issue date with an aggregate principal amount of HK$395,000,000. The conversion price of the 2020 Convertible Loan Notes shall be initially at HK$0.22 per share equivalent to HK$0.011 per share before the Second Share Consolidation becoming effective and subject to adjustments.

The 2020 Convertible Loan Notes have been passed as the ordinary resolution by the Shareholders at the SGM on 19 October 2020. All condition set out in the Subscription Agreements with the Subscribers have been fulfilled and the completion took place on 21 October 2020. Details can be referred to the relevant announcements of the Company.

CHARGE ON ASSETS

Share charges of entire issued share capital of several subsidiaries of the Company, charges over the shares and the convertible loan notes of the Company owned by China OEPC Limited, charge on accounts receivables to be owed to the Company and land charges over certain lands in Cambodia acquired or to be acquired by the Group have been created for securing the convertible bonds. For details, please refer to the Company's announcement dated 27 June 2017.

TREASURY POLICIES

The Group generally financed its operations with internally generated resources and funds from equity and/or debt financing activities. All financing methods will be considered as long as such methods are beneficial to the Company. Bank deposits are in HK$, RMB, US$ and Cambodian dollars ("**KHR**").

FOREIGN EXCHANGE EXPOSURE

For the year ended 31 December 2020, the Group earned revenue in RMB and incurred costs in HK$, RMB, US$ and KHR. Although the Group currently does not have any foreign currency hedging policy, it does not foresee any significant currency exposure in the near future. However, any permanent or significant change in RMB against HK$, may have possible impact on the Group's results and financial positions.

SUBSEQUENT EVENTS

Capital Reorganisation and Share Premium Cancellation

Reference is made to the announcements of the Company dated 1 February 2021, 11 February 2021, 26 February 2021, and the circular of the Company dated 3 March 2021 in relation to, among others, the Capital Reorganisation, Share Premium Cancellation, and the transactions contemplated thereunder. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined.

On 1 February 2021, the Company announced the proposed Capital Reorganisation by (i) a reduction of the issued share capital of the Company through the cancellation of the paid-up capital of the Company to the extent of HK$0.199 on each of the issued existing shares so that the nominal value of each issued share will be reduced from HK$0.20 to HK$0.001; (ii) a subdivision of each authorised but unissued Existing Share of HK$0.20 into two hundred (200) New Shares of HK$0.001 each; and (iii) a transfer of the credit arising from the capital reduction to the contributed surplus account of the Company.

On 26 February 2021, the Company further announced the proposed Share Premium Cancellation by way of cancellation of the entire amount standing to the credit of the Share Premium Account and transferring the credit arising therefrom to the contributed surplus account of the Company.

On 3 March 2021, the circular containing, among others, details of the Capital Reorganisation, Share Premium Cancellation, and other information as required under the Listing Rules, together with a notice convening the Special General Meeting on 7 April 2021, have been despatched.

Details can be referred to the relevant announcements and circular of the Company.

PROSPECTS

It is a breakthrough development to the Group in 2020 which three coking coal mines are in full operating in the year. Besides, the sales strategy is changed to mainly selling the cleaned coals rather than the raw coals during the year.

The outbreak of COVID-19 in PRC and the quarantine and transportation and travel restriction measures imposed by the government in early 2020 to prevent further spread of COVID-19 have had the negative effect to the mining operation of the Group, which the coal mines in Shanxi, the PRC were suspended in February 2020. The Group has implemented certain controls to minimise the impact of COVID-19 to the operation and the mining operation have been gradually resumed and returned to normal operation in mid of the year.

In the future, the Group would keep monitoring the development of the COVID-19 outbreak and assesses the relevant impacts. Besides, the Group would impairment contingency measures in case any other similar situations exist.

Amid the global epidemic crisis and the associated economic turmoil, the Group will keep a close eye on both PRC and overseas markets. The Group intended to seize more business opportunities including but not limited to the coal mining and also looking forward to the potential stimulating effects on economy resulting the counter-cyclical policies imposed by the governments around the world subsequent to the crisis.

EMPLOYEE AND REMUNERATION POLICIES

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance, qualification, experience and the remuneration policy are reviewed on a regular basis.

As at 31 December 2020, the Group employed approximately 661 full time employees in Hong Kong and PRC. The Group remunerates its employees based on individual and business performance. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option.

The emoluments of the Directors were determined with reference to their duties and responsibilities with the Company, the Company's performance, prevailing market conditions and the market emoluments for directors of other listed companies and reviewed by the remuneration committee of the Company.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2020.

MAJOR CUSTOMER AND SUPPLIERS

Sales to the Group's largest customer accounted for approximately 48% of the Group's total sales in 2020. Sales to the Group's five largest customers accounted for approximately 86% of the Group's total sales in 2020.

Purchases from the Group's five largest suppliers accounted for 100% of the total purchases in 2020.

None of the Directors, any of their associates, or any of the substantial Shareholders (which are disclosed to the Directors) had any beneficial interest in the Group's five largest customers and suppliers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules throughout the year ended 31 December 2020 and as at the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2020.

ENVIRONMENT POLICIES AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a good standard of corporate social governance essential for bringing a framework for motivating employees to contribute to our community.

The Group has made continuous efforts in promoting green measures and awareness in daily business operations. The principles of recycling and reducing will always be encouraged to adhere to as much as possible, such as implementing green office practices of double-sided printing and copying, setting up recycling bins and switching off idle lightings and regulating air-conditioning in different zoning.

The Environmental, Social and Governance Report conducted by a professional third party for year 2020 will be published separately in compliance with the requirements of the Listing Rules.

COMPLIANCE WITH REGULATIONS

Non-Compliance with Rule 13.46(2) of the Listing Rules

As disclosed in the Company's announcements dated 18 June 2020 and 30 June 2020, the Company has made an application for and the Stock Exchange has agreed to grant the waiver from strict compliance with Rule 13.46(2) of the Listing Rules on the ground that there is delay in audit work carried out by the Company's auditors which resulted in delay in the publication of the audited results announcement of the Company for the year ended 31 December 2019, despatch of 2019 Annual Report of the Company and convening of the annual general meeting of the Company. Details of which can be referred to the relevant announcements.

Non-Compliance with Rule 3.10(1) and Rule 3.21 of the Listing Rules

Since more time was needed to find the suitable candidate to act as the independent non-executive Directors (the "**INED(s)**"). The Board only comprises two (2) INEDs following the conclusion of the AGM on 5 August 2020. As such, the Company fails to meet the requirements of having at least three (3) INEDs on the Board under Rule 3.10(1) of the Listing Rules and the Audit Committee comprising only non-executive Directors with minimum of three (3) members under Rule 3.21 since 5 August 2020. The Company had appointed the INED on 2 November 2020 to fill up this vacancy.

Save as disclosed above, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group as far as the Board is aware during the year ended 31 December 2020.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Save as disclosed in the section headed "COMPLIANCE WITH REGULATIONS", the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules during the year ended 31 December 2020. The Company has received the confirmation of independence from all three (3) INEDs, namely Mr. Ho Kin Cheong, Kelvin, Mr. Shen Weidong and Mr. Tian Hong in accordance with Rules 3.13 of the Listing Rules.

The Board has reviewed the independence of all INEDs and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the INEDs has been impaired up to the date of this announcement.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in the information on Directors since 1 January 2020 or after their date of appointment, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, as set out below:

Mr. Ho Kin Cheong, Kelvin	Mr. Ho was appointed as the independent non-executive director of Yadong Group Holdings Limited (Stock Code: 1795) and JW (Cayman) Therapeutics Co. Ltd (Stock Code: 2126) on 21 October 2020 and 22 October 2020, respectively. The securities of the above companies are listed on the Main Board of the Stock Exchange.
Mr. Tian Hong	On 2 November 2020, Mr. Tian has been designated as the chairman of the remuneration committee of the Company.
Mr. Tse Michael Nam	On 2 November 2020, Mr. Tse has been appointed as the chairman of the Board and designated as the chairman of each of the nomination committee and the risk management committee of the Company.
Mr. Zhang Sanhuo	On 13 January 2020, the remuneration package of Mr. Zhang has been modified as per his personal request due to the economic impact of COVID-19. His monthly remuneration has been reduced from HK$60,000 to HK$20,000 with effect from 1 January 2020.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2020. To ensure Directors' dealings in the securities of the Company are conducted in accordance with the Model Code, a Director is required to notify designated executive directors in writing and obtain a written acknowledgement from the designated executive directors prior to any dealings the securities of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and adopted code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 of the Listing Rules as its own code on corporate governance practices.

In the opinion of the Board, the Company has complied with the code provisions of the CG Code during the year, except for the following deviations:

– Code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Zhu Zheyu resigned as the non-executive Director and the chairman of the Company (the "**Chairman**") on 12 June 2020 and no replacement for the post of the Chairman was appointed, the functions of the Chairman are performed by the chief executive officer of the Company (the "**CEO**"). On 2 November 2020, the Board designated Mr. Tse Michael Nam, the CEO, as the Chairman. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of two executive Directors and three independent non-executive Directors, the Company is of the view the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three (3) members, all of whom are INEDs. The composition of the Audit Committee is Mr. Ho Kin Cheong, Kelvin (chairman of the Audit Committee), Mr. Shen Weidong and Mr. Tian Hong. Mr. Ho Kin Cheong, Kelvin is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants. To the best knowledge of the Company, none of the members is a partner or former partner of Elite Partners CPA Limited, the Group's external auditor (the "**Auditors**").

The Audit Committee has reviewed with management in conjunction with the Auditors of the Group's consolidated financial statements for the year ended 31 December 2020, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, and financial reporting matters of the Group for the year ended 31 December 2020.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2020, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Auditors, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2020. The work performed by the Auditors 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 HKICPA and consequently no assurance has been expressed by the Auditors on this announcement.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This announcement can be accessed on both the Stock Exchange's and the Company's website via *http://www.hkex.com.hk* and *http://www.greenleader.hk.* The 2020 annual report of the Company containing all other information of the Company required by the Listing Rules will be despatched to the Shareholders and published on the Stock Exchange's and the Company's website within the prescribed period.

By the order of the Board of
Green Leader Holdings Group Limited
Mr. Tse Michael Nam
Chairman

Hong Kong, 31 March 2021

As at the date of this announcement, the Directors are:

Executive Directors
Mr. Tse Michael Nam (Chairman and Chief Executive Officer)
Mr. Zhang Sanhuo

Independent non-executive Directors
Mr. Ho Kin Cheong, Kelvin
Mr. Shen Weidong
Mr. Tian Hong