綠科科技
Greentech

GREENTECH TECHNOLOGY INTERNATIONAL LIMITED
綠 科 科 技 國 際 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00195)

PROFIT WARNING

This announcement is made by Greentech Technology International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ended 31 December 2019 currently available to the Board, the Group is expected to record a net loss for the year ended 31 December 2019 as compared to the audited net profit recorded for the year ended 31 December 2018. The said estimated net loss is primarily attributable to (a) an increase in the provision for rehabilitation in the sum of around Australian Dollars 8 million (equivalent to approximately HK$43.6 million); and (b) a significant amount of impairment loss to be expected on the property, plant and equipment and exploration and evaluation assets of the Renison underground mine (in which the Group holds 50% interest) based on its preliminary valuation as at 31 December 2019 mainly due to a decrease in estimated future Tin price adopted in the valuation model (instead of a reversal of impairment loss disclosed in the annual report of the Company for the year ended 31 December 2018).

The said increase in the provision for rehabilitation arose from the proposed closure of Mount Bischoff located in Tasmania, Australia (in which the Group holds 50% interest). Mount Bischoff was placed into care and maintenance as the reserve had been depleted for some time. During the second half of 2019, there have been discussions with external consultants and regulatory authorities relating to the closure plans of Mount Bischoff. Currently, a proposed closure plan is expected to be submitted to the relevant regulatory or governmental authorities in Australia at the earliest in around mid-2020 for approval. It is preliminarily estimated that the total costs for implementing the proposed closure plan (which is subject to the approval from relevant regulatory or governmental authorities) for the first six years will be approximately Australian Dollars 16.2 million (equivalent to approximately HK$88.3 million), together with an annual monitoring costs of approximately Australian Dollars 140,000 (equivalent to approximately HK$762,000) for a total period of 9 years will be approximately Australian Dollars 17.43 million. The amount of costs involved or stated above is only a preliminary estimate and is subject to the quotations to be obtained from the suppliers after the closure plan has been approved by the relevant authorities. Taking into account the Group's existing provision for rehabilitation of Mount Bischoff in the sum of Australian Dollars 700,000, and given that the Group shall be responsible for 50% of the costs relating to the proposed closure plan, an increase in the provision for rehabilitation in the sum of Australian Dollars over 8 million (equivalent to approximately HK$43.6 million) is expected to be reflected in the financial statements of the Group for the year ended 31 December 2019. The amount of such additional provision required is still being reviewed by the auditors of the Company and has not yet been finalised.

The actual extent of the net loss is yet to be further ascertained as at the date of this announcement. The Company is in the process of preparing the annual results announcement of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2019 currently available to the Board which have not been audited or reviewed by the auditor or audit committee of the Company. The actual results of the Group for the year ended 31 December 2019 may be different from the disclosure herein. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2019 to be published.

Shareholders of the Company and potential investors are advised to exercise caution in placing reliance on the profit alert as set out in this announcement when dealing in the shares of the Company.

By the order of the Board
Greentech Technology International Limited
XIE Yue
Executive Director

Hong Kong, 4 February 2020

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely, Mr. LI Dong, Mr. NIE Dong, Mr. WANG Chuanhu, Ms. XIE Yue and Ms. Sumiya Altantuya; two non-executive directors, namely Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J. J.P (Mr. HSU Jing-Sheng as his alternate) and Mr. JIN Ye; and three independent non-executive directors, namely, Mr. CHI Chi Hung, Kenneth, Mr. ZENG Jin and Mr. DUAN Zhida.

Website: http://www.green-technology.com.hk