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

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

UNAUDITED FINANCIAL RESULTS

For the reasons explained below under "REVIEW OF UNAUDITED FINANCIAL RESULTS", the auditing process for the annual results of Green Leader Holdings Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") has not been completed. In the meantime, the board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 together with the comparative figures for the corresponding year in 2018 as follows:

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December		
	2019	2018	Change
	HK$'000	*HK$'000*	*HK$'000*
	(Unaudited)	(Audited)	
Revenue	**944,258**	1,004,636	(60,378)
Gross profit	**156,467**	136,761	19,706
Loss for the year	**(41,557)**	(2,483,103)	2,441,546
Loss attributable to owners of the Company	**(149,980)**	(1,182,062)	1,032,082

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	Notes	**2019**	2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Revenue	*4*	**944,258**	1,004,636
Cost of sales and services rendered		**(787,791)**	(867,875)
Gross profit		**156,467**	136,761
Other operating income	*5*	**42,060**	7,128
Selling and distribution expenses		**(4,206)**	(4,173)
Administrative and other operating expenses		**(335,566)**	(348,174)
Change in fair value of derivative component of convertible loan notes		**6,203**	235,973
Reversal of impairment loss in respect of mining rights, net		**481,533**	–
Reversal of impairment loss in respect of property, plant and equipment, net		**113,563**	–
Impairment loss on mining rights, net		**–**	(2,571,010)
Impairment loss on property, plant and equipment, net		**–**	(278,692)
Finance costs		**(396,833)**	(331,158)
Profit/(loss) before taxation	*6*	**63,221**	(3,153,345)
Income tax (expense)/credit	*7*	**(104,778)**	670,242
Loss for the year		**(41,557)**	(2,483,103)
Attributable to:			
Loss attributable to owners of the Company		**(149,980)**	(1,182,062)
Profit/(loss) attributable to non-controlling interests		**108,423**	(1,301,041)
		(41,557)	(2,483,103)
Loss per share *(HK cents)*			
Basic	*9*	**(1.72)**	(16.17)
Diluted	*9*	**(1.72)**	(16.17)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 HK$'000 (Unaudited)	2018 HK$'000 (Audited)
Loss for the year		**(41,557)**	(2,483,103)
Other comprehensive expense for the year			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations:			
– Exchange difference arising during the year		**(20,501)**	(175,229)
Other comprehensive expense for the year		**(20,501)**	(175,229)
Total comprehensive expense for the year		**(62,058)**	(2,658,332)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**(165,036)**	(1,240,192)
Non-controlling interests		**102,978**	(1,418,140)
		(62,058)	(2,658,332)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	**2019** **HK$'000** **(Unaudited)**	2018 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**2,091,764**	1,788,156
Mining rights		**6,151,817**	6,018,475
Intangible assets		**18,299**	12,234
Goodwill		**–**	–
Deposits paid for acquisition of land use right		**35,946**	35,946
Deposits paid for acquisition of property, plant and equipment		**22,910**	46,321
		8,320,736	7,901,132
Current assets			
Inventories		**16,457**	2,081
Trade receivables	*10*	**55,904**	173,512
Prepayments, deposits, bills receivables and other receivables		**207,451**	148,693
Amounts due from related companies		**1,411**	7,579
Amount due from a director		**195**	4
Derivative component of convertible loan notes		**12,078**	7,356
Bank balances and cash		**45,688**	19,538
		339,184	358,763
Current liabilities			
Trade payables	*11*	**1,796**	2,039
Other payables		**677,530**	601,566
Amount due to a director		**13,108**	14,508
Amounts due to non-controlling interests holders		**141,272**	706,633
Other borrowings		**1,621**	14,101
Obligation under finance leases		**–**	36,213
Liabilities component of convertible loan notes		**660,722**	–
Derivative component of convertible loan notes		**850**	2,330
Lease liabilities		**14,499**	–
Income tax liabilities		**5,096**	28,294
		1,516,494	1,405,684
Net current liabilities		**(1,177,310)**	(1,046,921)
Total assets less current liabilities		**7,143,426**	6,854,211

	Notes	**2019**	2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Capital and reserves			
Share capital		**87,732**	73,110
Reserves		**(1,917,241)**	(1,901,661)
Equity attributable to owners of the Company		**(1,829,509)**	(1,828,551)
Non-controlling interests		**2,168,392**	2,065,414
Total equity		**338,883**	236,863
Non-current liabilities			
Amounts due to non-controlling interests holders		**4,792,727**	4,023,875
Provision for restoration, rehabilitation and environmental costs		**75,914**	74,279
Liabilities component of convertible loan notes		**–**	641,679
Amounts due to related companies		**150,319**	148,742
Other payables		**421,558**	423,590
Obligation under finance leases		**–**	382
Lease liabilities		**20,592**	–
Deferred tax liabilities		**1,343,433**	1,304,801
		6,804,543	6,617,348
		7,143,426	6,854,211

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the main broad of 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 Units 2001–2, 20/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

The unaudited consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. The Directors consider HK$ is the appropriate presentation currency for the users of the Group's 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 in Renminbi ("**RMB**") and in United Stated dollars ("**US$**") respectively.

The principal activities of the Company are investment holding and provision of finance and treasury services to the Group. During the year, 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 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.

Going concern basis

As at 31 December 2019, the Group had net current liabilities of approximately HK$1,177,310,000 and incurred net loss of approximately HK$41,557,000 during the year, indicating the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 2019 after taking into consideration of the following:

i) As at 31 December 2019, included in the current liabilities of the Group was derivative component of convertible loan notes of approximately HK$850,000 which represented the fair value of options entitling the holders to convert the convertible loan notes into ordinary shares of the Company before the maturity dates of the convertible loan notes and the early redemption option. Such derivative component of convertible loan notes shall not in itself result in any cash outflow for the Group; and

ii) Further financing can be obtained by the Group when necessary and internal funds shall be generated from the Group's operations.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayments Features with Negative Compensation
Amendments to Hong Kong Accounting Standards ("**HKAS**") 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these unaudited consolidated financial statements.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 "*Leases*" for the first time in the current year. HKFRS 16 "*Leases*" superseded HKAS 17 "*Leases*" and the related interpretations.

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 Contract[1]
Amendments to HKFRS 3	Definition of a Business[2]
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 and HKAS 8	Definition of Materials[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the unaudited 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
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 unaudited 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	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
For the year ended 31 December										
REVENUE										
Sales to external customers	**202**	23,131	**944,056**	980,902	**–**	–	**–**	603	**944,258**	1,004,636
RESULTS										
Segment (loss)/profit	**(789)**	(600)	**519,155**	(2,986,918)	**–**	–	**(13,431)**	(30,492)	**504,935**	(3,018,010)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the (loss)/profit 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 amount due to non-controlling interests holders, obligation under finance leases and lease liabilities were not included in segment results while the corresponding liabilities have been included in the segment liabilities.

4. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue

Segments	Systems integration services and software solutions		Mining operation		Coal operation		Cassava starch operation		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Types of goods or services										
Sales of goods										
– Coal	**–**	–	**944,056**	980,902	**–**	–	**–**	–	**944,056**	980,902
– Computer products	**202**	16,675	**–**	–	**–**	–	**–**	–	**202**	16,675
– Cassava starch	**–**	–	**–**	–	**–**	–	**–**	603	**–**	603
Provision of system integration and software solution services	**–**	6,456	**–**	–	**–**	–	**–**	–	**–**	6,456
	202	23,131	**944,056**	980,902	**–**	–	**–**	603	**944,258**	1,004,636
Timing of revenue recognition										
A point in time	**202**	16,675	**944,056**	980,902	**–**	–	**–**	603	**944,258**	998,180
Over time	**–**	6,456	**–**	–	**–**	–	**–**	–	**–**	6,456
	202	23,131	**944,056**	980,902	**–**	**–**	**–**	603	**944,258**	1,004,636

Note: For sales of coal, computer products and cassava starch, revenue is recognised when control of goods has transferred, being when the goods have been accepted by customers (acceptance) after goods delivered to the specific location or picked up by customers. Following acceptance, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 60 days (2018: 30 to 60 days) upon acceptance.

5. OTHER OPERATING INCOME

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Gain on disposal of property, plant and equipment	**–**	290
Gain on disposal of subsidiaries	**1,333**	550
Interest income[#]	**57**	99
Rental income	**–**	34
Sundry income	**4,292**	4,110
Waiver of other payables	**36,378**	2,045
	42,060	7,128

Note:

[#] Interest income, which earned from bank deposits, were derived from financial assets not at fair value through profit or loss.

6. PROFIT/(LOSS) BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Profit/(loss) before taxation has been arrived at after charging:		
Auditor's remuneration	**2,550**	2,000
Amortisation of mining rights included in cost of sales	**238,199**	407,944
Amounts of inventories recognised as expense:		
– System integration services and software solutions and cassava starch operation	**195**	23,270
– Mining and coal operation	**787,596**	844,605
	787,791	867,875

7. INCOME TAX EXPENSE/(CREDIT)

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Income tax expense/(credit)	**104,778**	(670,242)

(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 the PRC are subject to PRC Enterprise Income Tax (the "**EIT**").

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

(iv) Under the Law of the Cambodia, the tax rate of the Cambodia subsidiaries is 20% for both years.

8. DIVIDENDS

No dividend was paid or proposed for both years ended 31 December 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of the unaudited basic and diluted loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$149,980,000 (2018: approximately HK$1,182,062,000) and the weighted average number of ordinary shares of 8,741,551,014 (2018: 7,310,365,348) in issue during the year.

For the years ended 31 December 2019 and 2018, no adjustment has been made to the basic loss per share presented as the impact of the share options had anti-dilutive effect on the basic loss per share amount presented.

The calculation of diluted loss per share for the years ended 31 December 2019 and 2018 does not assume the conversion of all convertible loan notes, since these conversions would result in an anti-dilutive effect on loss per share.

10. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables (net of impairment losses)	**55,904**	173,512

The Group normally grants to its customers credit periods ranging from 30 days to 60 days (2018: from 30 days to 60 days) which are subject to periodic review by management.

The ageing analysis of the trade receivables, net of impairment losses recognised, based on the invoice dates at the end of the reporting period was as follows:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**55,785**	136,685
31 days to 60 days	**–**	36,706
61 days to 90 days	**–**	–
91 days to 180 days	**–**	–
181 days to 365 days	**–**	–
Over 365 days	**119**	121
	55,904	173,512

11. TRADE PAYABLES

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

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**–**	242
31 days to 60 days	**–**	–
61 days to 90 days	**–**	–
91 days to 180 days	**–**	16
181 days to 365 days	**–**	–
Over 365 days	**1,796**	1,781
	1,796	2,039

The average credit period on purchases of goods is 90 days (2018: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL REVIEW

FINANCIAL REVIEW

Review of unaudited financial results

Loss for the year

For the year ended 31 December 2019, the Group had recorded a loss of approximately HK$41,557,000 (2018: approximately HK$2,483,103,000), representing a significant decrease of loss of approximately HK$2,441,546,000 or 98%.

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

(i) *Revenue*

The slightly decrease in revenue from approximately HK$1,004,636,000 for the year ended 31 December 2018 to approximately HK$944,258,000 for the year ended 31 December 2019 due to the decrease in the sales quantities of the mining products in the year; and

(ii) *Gross profit*

The increase in gross profit from approximately HK$136,761,000 for the year ended 31 December 2018 to approximately HK$156,467,000 for the year ended 31 December 2019 as the proportion on the decrease in costs of sales and services rendered is more than the decrease in revenue; and

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

For the year ended 31 December 2019, there is a reversal of impairment loss in respect of mining rights, and property, plant and equipment of approximately HK$595,096,000 (2018: impairment loss of approximately HK$2,849,702,000), whereas the valuation of recoverable amounts in respect of mining rights, and property, plant and equipment is still under processing by the Company's valuer which may be materially different at the time of completion of audit process; and *(iv) Administrative and other operating expenses*

The slightly decrease in administrative and other operating expenses from approximately HK$348,174,000 for the year ended 31 December 2018 to approximately HK$335,566,000 for the year ended 31 December 2019 due to the combined effects of decrease in the staff costs, decrease in legal and professional fees and increase in the depreciation.

Loss attributable to owners of the Company

For the year ended 31 December 2019, the loss attributable to owners of the Company was approximately HK$149,980,000 (2018: approximately HK$1,182,062,000), mainly due to the reversal of impairment loss in respect of mining rights, and property, plant and equipment of approximately HK$595,096,000 for the year 2019 while an impairment loss of approximately HK$2,849,702,000 for the year 2018.

DIVIDEND

Final Dividend

Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: nil).

BUSINESS REVIEW

Overview

The Group has been focusing on accelerating sustainable industries in coal and agro-related businesses in the financial year 2019. The Group is 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 the provision of coal trading and logistics services; and (iii) the sales of information technology products and provision of system integration, technology services, software development and solution services.

Coal mining business

Despite the continuing posing challenges for constructions delay uncertainty, the financial performance in the year 2019 of the coal mining business has been promising for the Group overall. The Group has five coking coal mines located in Gujiao, Taiyuan City, Shanxi Province ("**Shanxi** "), the PRC, three of which had fully commenced in operation and the remaining two coal mines were 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. Regarding of Fuchang Mine, with the expected production capacity of 600,000 tons per year, in December 2017, Fuchang Mine was recognised by the Coal Industry Bureau of Shanxi Province as a "二級安全生產標準化煤礦" (Second Class Safe Production Standardisation Coal Mine*) with a valid period of 3 years from the recognition date. In June 2018, Fuchang Mine became one of the three coal mines of Taiyuan City to participate in the appraisal for "安全高效礦井" (Safe and Highly Efficient Mines*) organized by China National Coal Association and passed the appraisal. In additions, the expected production capacity of Jinxin Mine is 450,000 tons per year while Liaoyuan Mine is 600,000 tons per year.

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, 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 two coal mines under construction faced significant uncertainties.

With the increasing demand of the coal and our strengths, the Group is planning to expand its coal mining business. The Group is seeking the opportunities in the world regarding the coal mining business.

Thus, during the year, the Group and the potential seller entered into the memorandum of understanding in relation to the possible acquisition of the equity interest which the potential seller is currently beneficially holding the exploration rights of the coal mines in Galilee Basin, Queensland, Australia. Details can be referred to the announcement dated 29 July 2019.

* *For identification purpose only*

Cambodia business

Although (i) a cassava processing factory in Cambodia has been disposed in July 2019; and (ii) a piece of land in Cambodia has been disposed in September 2019, the Group still has other assets in Cambodia and is seeking other 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. 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.

The Environmental, Social and Governance Report conducted by a professional third party for year 2019 will be published separately in compliance with the requirements of the Rules Governing the Listing of securities on the Stock Exchange (the "**Listing Rules**").

FUTURE STRATEGIES AND PROSPECTS

It is a breakthrough development to the Group in 2019 which three coking coal mines are operating in the year while there is only one coking coal mine operating in 2018. Besides, the sales strategy is changed to selling the refined coals rather than the raw coals starting from fourth quarter of 2019 which the profit margin is higher.

The outbreak of Novel Coronavirus Disease ("**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 step by step since March 2020. The Group keeps monitoring the development of the COVID-19 outbreak and assesses the relevant impacts on the Group.

Amid the global epidemic crisis and the associated economic turmoil, the Group will keep a close eye on both PRC and overseas markets. As of the date of this announcement, the reported COVID-19 confirmed cases in PRC have dramatically reduced as compared to the beginning of the year. 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. Thus, the Group will continue to discuss and negotiate with the potential seller for the possible acquisition of the equity interest which the potential seller owns the exploration rights of the coal mines in Australia. Australia is the largest country in terms of coal net export and also the top four country of coal production. Most of the coal products of Australia are sold to Asian countries. The Group should be benefit from this potential synergy in between the coal mines in PRC and Australia.

LIQUIDITY AND FINANCIAL RESOURCES

Total Equity

As at 31 December 2019, the Group recorded total assets of approximately HK$8,659,920,000 (2018: approximately HK$8,259,895,000), which were financed by total liabilities of approximately HK$8,321,037,000 (2018: approximately HK$8,023,032,000) and total equity of approximately HK$338,883,000 (2018: approximately HK$236,863,000).

Gearing

As at 31 December 2019, the Group's gearing ratio as computed as the Group's other borrowings, lease liabilities, liabilities component of convertible loan notes over total equity was approximately 206% (2018: 292%).

Liquidity

The Group had total cash and bank balances of approximately HK$45,688,000 as at 31 December 2019 (2018: approximately HK$19,538,000). The Group did not have any bank borrowings for both years.

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**").

CONTINGENT LIABILITY

The Group had no material contingent liability as at 31 December 2019 and 2018.

FOREIGN EXCHANGE EXPOSURE

For the year ended 31 December 2019, 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.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2019, the Group employed approximately 662 full time employees in Hong Kong, Cambodia and the 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.

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 2019.

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 2019 and as at the date of this announcement.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 12 June 1999 with clear written terms of reference. And the terms of reference of Audit Committee had been revised on 10 December 2018 and became effective from 1 January 2019.

As at the date of this announcement, the Audit Committee comprised three members, all of whom were independent non-executive Directors. The composition of the Audit Committee is Mr. Lam Chi Wai (chairman of the Audit Committee), Mr. Lyu Guoping and Mr. Jin Xuliang. Mr. Lam Chi Wai is a member and a practicing member of the HKICPA, a fellow member of the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. None of the members is a partner or former partner of Crowe (HK) CPA Limited, the Group's external auditor (the "**Auditor**").

The Audit Committee meets at least twice a year to review (i) the annual and interim results and the accompanying auditor's reports, (ii) the accounting policies and practices adopted by the Company, and (iii) the financial, risk management and internal control systems of the Company.

REVIEW OF UNAUDITED FINANCIAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to the quarantine and transportation and travel restrictions measures in force in parts of PRC to prevent further spread of the COVID-19. The unaudited financial results contained herein have not been agreed with the Auditor. An announcement relating to the audited annual results of the Group for the year ended 31 December 2019 will be published when the auditing process has been completed. The actual audited annual results of the Group for the year ended 31 December 2019 may be significantly different from the unaudited financial information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement in relation to the audited annual results of the Group for the year ended 31 December 2019 to be published.

The Audit Committee had reviewed the Group's unaudited consolidated management accounts for the year ended 31 December 2019.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2019, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**Code**") as set out in Appendix 14 of the Listing Rules. The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the Code.

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. It is also the responsibility of the Directors to ensure the timely publication of the financial statements of the Company. During the year, the management has provided sufficient explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before it for approval including the monthly updates on the Company's performance, position and prospects.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") set out in Appendix 10 of the Listing Rules has been adopted as the code for regulating Directors' securities transaction for the Company. In response to specific enquiries made, all the Directors confirmed that they had complied with the Model Code in their securities transactions throughout the year 2019.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited annual results of the Group for the year ended 31 December 2019 as agreed by the Auditor and the material differences (if any) as compared with the unaudited financial results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held. In addition, the Company will issue supplemental announcement(s) as and when necessary if there are other material developments in the completion of the auditing process.

Since the completion of the auditing process depends on when the quarantine and transportation and travel restrictions measures in relation to the COVID-19 will be relaxed, it is difficult at this stage to estimate a completion date for the auditing process with reasonable preciseness. However, the Company is closely monitoring the current situations and will continue to work with its Auditor, and hopefully, expects to publish the audited annual results of the Group for the year ended 31 December 2019 by 15 May 2020 in accordance with further guidance on the joint statement issued by the Stock Exchange and the Securities and Futures Commission dated 16 March 2020.

The financial information contained herein in respect of the annual results of the Group has not been audited and has not been agreed with the Auditor, and may be subject to material changes, reclassification and/or adjustments resulting from the audit process.

Shareholders and potential investors of the Company are also cautioned not to unduly rely on the unaudited financial information disclosed herein, and are advised to exercise caution when dealing in the securities of the Company.

By the order of the Board of
Green Leader Holdings Group Limited
Ms. Zhu Zheyu
Chairman

Hong Kong, 30 March 2020

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

Executive Directors
Mr. Zhang Sanhuo
Mr. Tse Michael Nam (Chief Executive Officer)
Ms. Zhang Tingting

Non-executive Directors
Ms. Zhu Zheyu (Chairman)
Mr. Chang Che-Fa

Independent non-executive Directors
Mr. Lam Chi Wai
Mr. Lyu Guoping
Mr. Jin Xuliang