Moody Technology Holdings Limited
滿地科技股份有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 1400)

(Provisional Liquidators Appointed)
(For Restructuring Purposes)

SUPPLEMENTAL ANNOUNCEMENT
MATERIAL DIFFERENCES BETWEEN UNAUDITED RESULTS AND AUDITED RESULTS

Reference is made to the announcements (the "**Announcements**") made by Moody Technology Holdings Limited (the "**Company**") dated 31 March 2020 in relation to the unaudited annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2019 (the "**2019 Unaudited Results**"), and dated 7 July 2020 in relation to the audited annual results of the Group for the year ended 31 December 2019 (the "**2019 Audited Results**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The following set forth the audited consolidated statement of financial position of the Group as at 31 December 2019, the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2019, the relevant corresponding figures shown in the 2019 Unaudited Results and the relevant changes between audited and the unaudited figures.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019**	2019	**Change**
		RMB'000	*RMB'000*	***RMB'000***
		(Audited)	(Unaudited)	
Revenue		**517,665**	517,665	**–**
Cost of sales		**(506,646)**	(506,646)	**–**
Gross profit		**11,019**	11,019	**–**
Other income	*(a)*	**5,773**	7,318	**(1,545)**
Selling and distribution costs		**(8,178)**	(8,178)	**–**
General and administrative expenses	*(b)*	**(148,761)**	(82,754)	**(66,007)**
Loss from operations		**(140,147)**	(72,595)	**(67,552)**
Finance costs	*(c)*	**(147,880)**	(149,437)	**1,557**
Loss before tax		**(288,027)**	(222,032)	**(65,995)**
Income tax credit		**419**	419	**–**
Loss and total comprehensive income for the year attributable to the owners of the Company		**(287,608)**	(221,613)	**(65,995)**
Loss per share				
Basic *(RMB)*		**(1.55)**	(1.19)	
Diluted *(RMB)*		**(1.55)**	(1.19)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 RMB'000 (Audited)	2019 RMB'000 (Unaudited)	Change RMB'000
Non-current assets				
Property, plant and equipment	*(b)(i)*	**318,488**	343,916	**(25,428)**
Right-of-use assets	*(b)(i)*	**21,203**	22,666	**(1,463)**
Investment in an associate		**–**	–	**–**
		339,691	366,582	**(26,891)**
Current assets				
Inventories		**43,861**	43,861	**–**
Trade and other receivables	*(b)(iii)*	**72,345**	99,035	**(26,690)**
Bank and cash balances		**4,559**	4,559	**–**
		120,765	147,455	**(26,690)**
Current liabilities				
Trade and other payables	*(d)*	**247,608**	245,948	**1,660**
Borrowings	*(e)*	**569,245**	524,912	**44,333**
		816,853	770,860	**45,993**
Net current liabilities		**(696,088)**	(623,405)	**(72,683)**
Total assets less current liabilities		**(356,397)**	(256,823)	**(99,574)**

	Notes	2019 RMB'000 (Audited)	2019 RMB'000 (Unaudited)	Change RMB'000
Non-current liabilities				
Borrowings	*(e)*	**389,981**	434,314	**(44,333)**
Deferred income		**13,410**	13,410	**–**
		403,391	447,724	**(44,333)**
Net liabilities		**(759,788)**	(704,547)	**(55,241)**
Equity				
Share capital		**1,505**	1,505	**–**
Reserves		**(761,293)**	(706,052)	**(55,241)**
Total deficit		**(759,788)**	(704,547)	**(55,241)**

Notes:

(a) The exchange gain of approximately RMB1.5 million was reclassified to general and administrative expenses as mentioned in (b)(iv).

(b) The breakdown of an increase of the general and administrative expenses is as follows:

		RMB'000
Impairment loss of property, plant and equipment	*(i)*	25,428
Impairment loss of right-of-use assets	*(i)*	1,463
Accruals of property tax and land use right tax	*(ii)*	3,217
Impairment loss of trade and other receivables	*(iii)*	26,690
Net exchange losses recognised in profit and loss	*(iv)*	9,209
		66,007

(i) Reference is made to the announcement of the Company dated 20 April 2020 in relation to the Forced Sale of the Shishi Buildings. The legal procedures of the Forced Sale have been completed and the legal titles of the Shishi Buildings have been transferred to the Buyer on 15 May 2020. An impairment loss of the property, plant and equipment and right-of-use assets of approximately RMB25.4 million and RMB1.5 million, respectively, representing the difference between the net book value of the Shishi Buildings and relevant leasehold lands, of approximately RMB90.9 million and RMB5.2 million respectively, as at 31 December 2019, and the consideration of the Buyer in the Forced Sale of approximately RMB69.2 million.

(ii) The increase in accruals of property tax and land use right tax of approximately RMB3.2 million was due to the cutoff adjustments on the under-accrued taxes in 2019.

(iii) An additional allowance of doubtful debts on trade and other receivables of approximately RMB21.7 million was recognised due to the management re-assessment on the ECL model.

(iv) An increase in net exchange losses was due to the net effect of (i) an exchange gain of approximately RMB1.5 million was reclassified from other income as mentioned in (a), and (ii) an exchange loss of approximately RMB10.7 million was recognised due to calculation of the closing rate of RMB.

(c) The decrease in finance costs of approximately RMB1.6 million was due to reversal of over-accrual of the interest expenses for the bank borrowings.

(d) The increase in trade and other payable was due to the net effect of (i) an increase in accruals of property tax and land use right tax of approximately RMB3.2 million as mentioned in (b)(ii); and (ii) a decrease in interest payable of approximately RMB1.6 million as mentioned in (c).

(e) The reclassification from non-current borrowings to current borrowings of approximately RMB44.3 million was recognised pursuant to the terms of the bank borrowing agreements and bonds certificates.

By order of the Board
Moody Technology Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Wu Jianxiong
Chairman and Executive Director

Hong Kong, 7 July 2020

As of the date of this announcement, the executive Directors are Mr. Wu Jianxiong, Mr. Lin Guoqin and Mr. Wang Zhiping; and the independent non-executive Directors are Mr. Chow Yun Cheung, Mr. Lin Yugang and Mr. Liu Junting.