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

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

SUPPLEMENTAL ANNOUNCEMENT
UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the Company's announcement dated 30 March 2020 (the "**2019 Unaudited Results Announcement**") in relation to the unaudited financial results of the Company for the year ended 31 December 2019 (the "**2019 Unaudited Results**") and the Company's announcement dated 30 June 2020 (the "**2019 Audited Results Announcement**") in relation to the audited results of the Company for the year ended 31 December 2019 (the "**2019 Audited Results**"). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the 2019 Unaudited Results Announcement and the 2019 Audited Results Announcement.

DIFFERENCES BETWEEN THE 2019 UNAUDITED RESULTS AND THE 2019 AUDITED RESULTS

It is noted that there are differences between the Company's financial information as disclosed in the 2019 Unaudited Results and the 2019 Audited Results. In particular, the Company recorded a reversal of impairment loss on mining rights and property, plant and equipment of approximately HK$595.1 million in the 2019 Unaudited Results whilst an impairment loss of approximately HK$496.4 million was recorded in the 2019 Audited Results, leading to an increase in loss from approximately HK$41.6 million in the 2019 Unaudited Results to approximately HK$1,204.9 million in the 2019 Audited Results.

As disclosed in the 2019 Unaudited Results Announcement, it was mentioned that the reversal of impairment loss in respect of mining rights, and property, plant and equipment of approximately HK$595.1 million would be subject to valuation. As disclosed in the Company's announcement dated 3 June 2020, based on the draft valuation report obtained at that time with referencing to the continuing decline in coal price, it was expected that there would be no reversal of impairment loss as shown in the 2019 Audited Results and the Group might record an impairment loss in respect of mining rights, and property, plant and equipment.

The 2019 Audited Results remain substantially the same as the 2019 Unaudited Results, save and except for the following reclassification and adjustments as mentioned above and follows:

(1) Changes on consolidated statement of profit or loss

	2019	2019	Differences	
	HK$'000	*HK$'000*	*HK$'000*	*Notes*
	(Audited)	(Unaudited)		
Revenue	**944,258**	944,258	–	
Cost of sales and services rendered	**(844,110)**	(787,791)	(56,319)	*(a)*
Gross profit	**100,148**	156,467	(56,319)	
Other operating income	**69,350**	42,060	27,290	*(b)*
Selling and distribution expenses	**(4,206)**	(4,206)	–	
Administrative and other operating expenses	**(590,958)**	(335,566)	(255,392)	*(c)*
Change in fair value of derivative component of convertible loan notes	**22,843**	6,203	16,640	*(d)*
(Impairment loss)/reversal of impairment loss on mining rights, net	**(336,249)**	481,533	(817,782)	*(e)*
(Impairment loss)/reversal of impairment loss on property, plant and equipment, net	**(160,102)**	113,563	(273,665)	*(e)*
Loss allowance on other receivables	**(9,149)**	–	(9,149)	
Finance costs	**(415,590)**	(396,833)	(18,757)	*(f)*
(Loss)/profit before taxation	**(1,323,913)**	63,221	(1,387,134)	
Income tax credit/(expense)	**119,054**	(104,778)	223,832	*(g)*
Loss for the year	**(1,204,859)**	(41,557)	(1,163,302)	
Attributable to:				
Loss attributable to owners of the Company	**(695,650)**	(149,980)	(545,670)	
(Loss)/profit attributable to non-controlling interests	**(509,209)**	108,423	(617,632)	
	(1,204,859)	(41,557)	(1,163,302)	
Loss per share *(HK cents)*				
Basic	**(7.96)**	(1.72)	(6.24)	
Diluted	**(7.96)**	(1.72)	(6.24)	

(2) Changes on consolidated statement of profit or loss and other comprehensive income

	2019	2019	Differences
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	(Unaudited)	
Loss for the year	**(1,204,859)**	(41,557)	(1,163,302)
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	**(5,875)**	(20,501)	14,626
– Reclassification adjustments relating to foreign operations disposed of in the year	**(13)**	–	(13)
Other comprehensive expense for the year	**(5,888)**	(20,501)	14,613
Total comprehensive expense for the year	**(1,210,747)**	(62,058)	(1,148,689)
Total comprehensive (expense)/income attributable to:			
Owners of the Company	**(697,339)**	(165,036)	(532,303)
Non-controlling interests	**(513,408)**	102,978	(616,386)
	(1,210,747)	(62,058)	(1,148,689)

(3) Changes on consolidated statement of financial position

	2019	2019	Differences	
	HK$'000	*HK$'000*	*HK$'000*	*Notes*
	(Audited)	(Unaudited)		
Non-current assets				
Property, plant and equipment	**1,699,009**	2,091,764	(392,755)	*(e)*
Mining rights	**5,273,466**	6,151,817	(878,351)	*(e)*
Intangible assets	**18,299**	18,299	–	
Goodwill	**–**	–	–	
Deposits paid for acquisition of land use rights	**35,946**	35,946	–	
Deposits paid for acquisition of property, plant and equipment	**22,910**	22,910	–	
	7,049,630	8,320,736	(1,271,106)	
Current assets				
Inventories	**16,456**	16,457	(1)	
Trade receivables	**55,904**	55,904	–	
Prepayments, deposits, bills receivables and other receivables	**43,796**	207,451	(163,655)	*(h)*
Amounts due from related companies	**5,750**	1,411	4,339	*(i)*
Amounts due from directors	**233**	195	38	*(i)*
Derivative component of convertible loan notes	**28,719**	12,078	16,641	*(d)*
Bank balances and cash	**45,788**	45,688	100	
	196,646	339,184	(142,538)	
Current liabilities				
Trade payables	**1,796**	1,796	–	
Other payables	**613,013**	677,530	(64,517)	*(j)*
Amount due to a director	**13,108**	13,108	–	
Amounts due to non-controlling interests holders	**1,128,128**	141,272	986,856	*(k)*
Other borrowings	**23,202**	1,621	21,581	*(l)*
Liabilities component of convertible loan notes	**660,722**	660,722	–	
Derivative component of convertible loan notes	**850**	850	–	
Lease liabilities	**8,548**	14,499	(5,951)	
Income tax liabilities	**5,096**	5,096	–	
	2,454,463	1,516,494	937,969	
Net current liabilities	**(2,257,817)**	(1,177,310)	(1,080,507)	
Total assets less current liabilities	**4,791,813**	7,143,426	(2,351,613)	

	2019	2019	Differences	
	HK$'000	*HK$'000*	*HK$'000*	*Notes*
	(Audited)	(Unaudited)		
Capital and reserves				
Share capital	**87,732**	87,732	–	
Reserves	**(2,542,167)**	(1,917,241)	(624,926)	
Deficit attributable to owners of the Company	**(2,454,435)**	(1,829,509)	(624,926)	
Non-controlling interests	**1,552,400**	2,168,392	(615,992)	
Total (deficit)/equity	**(902,035)**	338,883	(1,240,918)	
Non-current liabilities				
Amounts due to non-controlling interests holders	**3,805,546**	4,792,727	(987,181)	*(k)*
Provision for restoration, rehabilitation and environmental costs	**75,914**	75,914	–	
Amounts due to related companies	**159,576**	150,319	9,257	*(i)*
Other payables	**508,478**	421,558	86,920	*(j)*
Lease liabilities	**20,486**	20,592	(106)	
Deferred tax liabilities	**1,123,848**	1,343,433	(219,585)	*(g)*
	5,693,848	6,804,543	(1,110,695)	
	4,791,813	7,143,426	(2,351,613)	

Notes:

a. **Cost of sales and services rendered**

The difference is mainly due to the adjusted amortisation of mining rights recognised into cost of sales.

b. **Other operating income**

The difference is mainly due to the adjustments and reclassifications from other payables; and administrative and other operating expenses.

c. **Administrative and other operating expenses**

The difference is mainly due to the adjustments and reclassifications from prepayments, deposits, bills receivable and other receivables.

d. **Change in fair value of derivative component of convertible loan notes**

The difference is mainly due to the finalisation of valuation of convertible loan notes.

e. **Impairment loss on mining right and property, plant and equipment**

The difference is mainly due to the finalisation of valuation of coal mines regarding the changes in certain perimeters adopted in valuation.

f. **Finance costs**

The difference is mainly due to the adjustments on interest capitalisation on construction in progress.

g. **Income tax credit(expense)/deferred tax liabilities**

The difference is mainly due to the finalisation of valuation of coal mines. The movement of income tax credit(expense) and the deferred tax liabilities mainly came from the deferred tax impact of the impairment loss on mining rights which the unaudited results recognised a reversal of impairment loss while the audited results recognised an impairment loss.

h. **Prepayment, deposits, bills receivables and other receivables**

The difference is mainly due to the adjustments and reclassifications to administrative and other operating expenses.

i. **Amount due from/to related companies/directors**

There are re-grouping of amount due from/to related companies/directors.

j. **Other payables**

There are adjustments and reclassifications from current liabilities to non-current liabilities.

k. **Amounts due to non-controlling interests holders**

There are adjustments and reclassifications from non-current liabilities to current liabilities.

l. **Other borrowings**

There are adjustments and reclassifications from other payable to other borrowings.

The Company's external auditor has agreed on the 2019 Audited Results (including the financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the 2019 Audited Results Announcement subject to the audit qualifications therein. No assurance has been expressed by the external auditor on the 2019 Unaudited Results Announcement and/or this supplemental announcement as the external auditor has not performed any assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants on the adjustments and figures contained in the 2019 Unaudited Results Announcement and/or this supplemental announcement.

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

Hong Kong, 8 July 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 Director
Mr. Chang Che-Fa

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