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GREEN LEADER HOLDINGS GROUP LIMITED

綠領控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

ANNOUNCEMENT

Reference is made to the corporate governance report (the “**CG Report**”) contained in the annual report of the Company (the “**2019 Annual Report**”) for the year ended 31 December 2019. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the 2019 Annual Report.

The purpose of this announcement is to provide further disclosures on going concern uncertainties in the CG Report. As disclosed in the CG Report contained in the 2019 Annual Report, the Directors confirm that, except for the issues as explained under the basis of presentation section in Note 1 of the consolidated financial statements, they are not aware of any other material uncertainties relating to events or conditions that may cast significant doubt about the Group’s ability to continue as a going concern.

As disclosed, the Company has commenced the following action plan to remove the audit qualification (the “**Audit Qualification**”):

- (a) the Group is in the negotiation with the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable of the Company’s financial obligations; and
- (b) the Group would actively seek external facilities and fund raising opportunities.

As a matter of fact, the Company has successfully reached agreements with relevant subscribers for the extension of the convertible bonds in the aggregate principal amount of HK\$395,000,000 as disclosed in the announcement of the Company dated 22 July 2020 subject to the approval of the independent shareholders at the special general meeting to be held and convened. The Company will continue to negotiate with the holder of the 2017 Convertible Loan Notes to restructure the repayment timetable of the Company’s financial obligations.

In respect of seeking external facilities and fund raising opportunities, the Company has commenced to approach a number of financial institutions in the PRC.

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 Company can successfully implement the aforesaid measures, the Company 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 Audit Qualification is expected to be removed in the consolidated financial statements of the Company for the year ending 31 December 2020.

The audit committee of the Company has reviewed the disclaimer of opinion relating to going concern, the Board's response to the disclaimer of opinion and the action plan of the Company in addressing the Audit Qualification and concurs with the Board's view.

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

Hong Kong, 6 August 2020

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

Executive Directors

Mr. Zhang Sanhuo

Mr. Tse Michael Nam (*Chief Executive Officer*)

Independent non-executive Directors

Mr. Ho Kin Cheong Kelvin

Ms. An Juan