

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

Reference is made to the announcement (the “**Announcement**”) of the Green Leader Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 January 2024 in relation to, amongst others, the issuance of the Undertaking. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board would like to provide the shareholders (the “**Shareholders**”) of the Company with the following supplemental information in relation to the issuance of the Undertaking and the financial consolidation of Shanxi Coal Group.

THE UNDERTAKING

With regards to the issuance of the Undertaking pursuant to which the two directors (the “**Two Shanxi Coal Group Directors**”) additionally appointed onto the Shanxi Coal Group Board by Shanxi Ruiying and Shanxi Changtong shall abstain from exercising their voting rights at the meetings of the Shanxi Coal Group Board, the legal advisers of the Company as to PRC laws (the “**PRC Legal Advisers**”) opined that:

- (i) Shanxi Coal Group falls within the ambit of the coal mining companies governed by the relevant PRC laws and regulations and the “Three Real Management” policy and thus Shanxi Coal Group must abide accordingly;
- (ii) each of Shanxi Ruiying, Shanxi Changtong and Taiyuan Zhituo are within the scope of the “Three Real Management” policy promulgated by the Shanxi Provincial Government and thus must issue the Undertaking in compliance of the same; and

- (iii) where there exists scenarios in which (a) the amount of capital contribution provided by each of the controlling shareholder(s) and other shareholder(s) of coal mining companies governed by relevant PRC laws and regulations and the “Three Real Management” policy are not proportional to their respective shareholding; or (b) the reorganisation of the structure of the coal mining company does not lead to unified management by the principal enterprise, etc., the operations of such coal mining company must be suspended until the compliance with the “Three Real Management” policy.

Accordingly, Shanxi Coal Group underwent a reorganisation of its structure and each of Shanxi Ruiying, Shanxi Changtong and Taiyuan Zhituo issued the Undertaking such that the control exercisable by Shanxi Coking and Shanxi Energy collectively was proportional to their shareholding in Shanxi Coal Group and to satisfy the relevant PRC laws and regulations and the “Three Real Management” policy.

As advised by the PRC Legal Advisers, the failure to comply with the relevant PRC laws and regulations and the “Three Real Management” policy would result in such coal mining company being suspended from operations and construction until the “Three Real Management” policy has been complied with.

The PRC Legal Advisers further advised that an alternative method for compliance with the relevant PRC laws and regulations and the “Three Real Management” policy included the appointment of additional directors by Shanxi Coking onto the Shanxi Coal Group Board or the reduction of the number of directors appointed by Shanxi Ruiying, Shanxi Changtong and Taiyuan Zhituo collectively to the Shanxi Coal Group Board to achieve “Three Real Management” and unified management and control by the state-owned controlling shareholders of Shanxi Coal Group. However, the Group considered that such an alternative method would be less favourable to the Group as compared with the Undertaking as despite the abstention from voting of the Two Shanxi Coal Group Directors from any meetings of the Shanxi Coal Group Board, such Two Shanxi Coal Group Directors would still be able to be present at the meetings of the Shanxi Coal Group Board and continue to review the operations of Shanxi Coal Group.

In consideration of the above, the Board is of the view that the issuance of the Undertaking is the most favourable method of compliance with the relevant PRC laws and regulations and the “Three Real Management” policy.

FINANCIAL CONSOLIDATION OF SHANXI COAL GROUP

As advised by the auditors of the Company, following the issuance of the Undertaking, the Group's voting rights over the Shanxi Coal Group Board fell below 50% and thus the Group no longer has control over the Shanxi Coal Group Board. Given that the Group has less than 50% of the voting rights in the Shanxi Coal Group Board, the Group has no sufficient power to dominate the voting interests in the Shanxi Coal Group Board and can only exercise significant influence over the Shanxi Coal Group Board.

By reason of the above, the financial information of Shanxi Coal Group will only be consolidated into the financial information of the Group up to the date of the Undertaking. Subsequent to the issuance of the Undertaking, Shanxi Coal Group and its subsidiaries will only be accounted for as associates of the Group and its financial information will be accounted for under an equity method. Such accounting treatment will be subject to the audit work to be performed by the auditors of the Company for confirmation.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By the order of the Board of
Green Leader Holdings Group Limited
Tse Michael Nam
Chairman

Hong Kong, 7 February 2024

As at the date of this announcement, the executive Directors are Mr. Tse Michael Nam (Chairman and Chief Executive Officer) and Mr. Zhang Sanhuo; and the independent non-executive Directors are Mr. Ho Kin Cheong Kelvin, Mr. Shen Weidong and Mr. Tian Hong.