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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)**

**DISCLOSEABLE TRANSACTION:**

**DISPOSAL OF  
THE ENTIRE EQUITY INTERESTS OF COSMO SOAR LIMITED**

The Board announces that on 18 June 2019, the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser in relation to the Disposal of the Sale Share and the Sale Loan to the Purchaser for an aggregate cash consideration of US\$7,400,000. The Disposal is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” below.

As certain of the relevant percentages exceed 5% but all below 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

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**SALE AND PURCHASE AGREEMENT**

Date: 18 June 2019 (after trading hours)

Parties: (1) The Vendor  
(2) The Purchaser

The Vendor is a company incorporated in Samoa with limited liability and is principally engaged in investment holdings. The Vendor is a wholly owned subsidiary of the Company.

The Purchaser is an individual merchant and is the holder of convertible bonds issued by the Company in the principal amount of HK\$13,251,004, which has become matured on 6 June 2018 and not convertible into Shares thereafter. The Purchaser has confirmed that he will not demand for repayment of the convertible bonds on or before 31 December 2020.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

**Asset to be disposed:**

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell (i) the Sale Share comprising one (1) issued share in the share capital of the Target Company, representing 100% of the entire issued share capital of the Target Company; and (ii) the Sale Loan.

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. The only significant asset of the Target Company is the Cambodia Company.

The Cambodia Company is a company incorporated in the Kingdom of Cambodia (“**Cambodia**”) with limited liability and is operating a cassava starch factory in Cambodia.

**Consideration:**

The total consideration for the Disposal is US\$7,400,000, which shall be satisfied by the Purchaser in cash in the following manner:

- (a) as to US\$1,500,000, being the deposit (the “**Deposit**”) and the part payment towards the consideration for the sale and purchase of the Sale Share and the Sale Loan, shall be payable by the Purchaser to the Vendor (or as the Vendor may direct) on the date of signing of the Sale and Purchase Agreement;
- (b) as to US\$5,000,000, which shall be payable by the Purchaser to the Vendor (or as the Vendor may direct) upon Completion; and
- (c) as to the remaining balance of US\$900,000, which shall be payable by the Purchaser to the Vendor (or as the Vendor may direct) within one month after Completion.

The consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, among others, the financial position of the Target Group. The Directors (including the independent non-executive Directors) consider the consideration of the Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **Conditions**

The Disposal is conditional upon the satisfaction of the following:

- (1) if necessary, the passing of relevant resolution by the Shareholders (other than those who have to abstain from voting at the relevant general meeting of the Company) at the Company's general meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (2) all necessary consents and approvals for the sale and purchase of the Sale Share and the Sale Loan having been obtained by the parties.

If the conditions set out above have not been satisfied on or before 28 June 2019, or such later date as the Vendor and the Purchaser may agree in writing (the "**Long Stop Date**"), subject to the refund of Deposit, the Sale and Purchase Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

## **Completion**

Completion is expected to take place within five Business Days after the fulfilment (or waiver) of the conditions (or such later date as the parties to the Sale and Purchase Agreement may agree) mentioned above.

Upon Completion, the Target Company will cease to be an indirect wholly owned subsidiary of the Company and the Group will cease to have any interests in the Target Group.

In the event that Completion cannot take place pursuant to the Sale and Purchase Agreement as a result of the default of the Purchaser, the Vendor shall be entitled to forfeit the Deposit as liquidated damage and the Vendor shall not make further claims against the Purchaser thereafter.

In the event that Completion cannot take place pursuant to the Sale and Purchase Agreement as a result of the default of the Vendor, the Vendor shall return the Deposit to the Purchaser together with a compensation sum equivalent to the Deposit and the Purchaser shall not make further claims against the Vendor thereafter.

In the event that Completion cannot take place not because of the default of both parties (including but not limited to the conditions cannot be fulfilled), the Vendor shall return the Deposit and the parties shall not make further claims against each other.

## **INFORMATION ON THE TARGET GROUP**

The Target Company is a company incorporated in the British Virgin Islands with limited liability on 13 October 2017 and is principally engaged in investment holdings. Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company is held as to 100% by the Vendor. After Completion of the Disposal, the Purchaser shall be interested in the entire issued share capital of the Target Company and the Vendor shall cease to have any interests in the Target Company.

The Target Company is currently the sole beneficial owner of the entire issued share capital of the Cambodia Company. The Cambodia Company is a company incorporated in Cambodia with limited liability on 9 March 2018 and is principally engaged in cassava starch processing.

Set below is the unaudited consolidated financial information of the Target Group:

|                               | <b>For the<br/>year ended<br/>31 December<br/>2017<br/>HK\$</b> | <b>For the<br/>year ended<br/>31 December<br/>2018<br/>HK\$</b> |
|-------------------------------|---|---|
| Profit (loss) before taxation | Nil   | (2,903,202)   |
| Profit (loss) after taxation  | Nil   | (2,903,202)   |
| Net asset (liability) value   | 7.8   | (2,903,194)   |

Based on the unaudited consolidated management accounts of the Target Group, it is estimated that upon Completion, the Group will record a gain of approximately HK\$619,000 upon completion of the Disposal and an increase in the net assets of the Group by approximately HK\$619,000. The actual gain or loss from the completion of the Disposal shall be subject to relevant recognition under applicable accounting standards.

## **REASONS FOR THE DISPOSAL AND USE OF PROCEEDS**

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 logistics services; and (iii) the sales of information technology products, provision of system integration services, technology services, software development and solution services.

The Company considers that the Disposal is an opportunity for the Company to realize its investments in the Target Group. In light of the uncertainty in the future global economy, the Company considers that the Disposal represents an opportunity to divest in the Target Company to allow it to reallocate the Group's resources. After due consideration of the current financial position of the Target Group, the future uncertainty on the prospects of the Target Group and potential capital commitments in the Target Group thereof, the Company considers that the Disposal represents an opportunity to realise its investments in the Target Group.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are reasonable and fair and in the interests of the Shareholders as a whole.

After deducting expenses relating to the Disposal, there will be net proceeds of approximately US\$7.35 million from the Disposal and the Company intends to utilize the net proceeds towards general working capital of the Group and repayment of indebtedness of the Group.

## **LISTING RULES IMPLICATION**

As certain of the relevant percentages exceed 5% but all below 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

|                    |  |
|--------------------|--|
| “associates”       | has the meaning ascribed to this term under the Listing Rules  |
| “Board”            | the board of Directors from time to time   |
| “Business Day”     | a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours                              |
| “Cambodia Company” | Green Leader Starch Food First Factory Co., Ltd. (綠領澱粉食品第一工廠有限公司*), a company incorporated in the Kingdom of Cambodia with limited liability and a wholly owned subsidiary of the Target Company |
| “Company”          | Green Leader Holdings Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange                  |

|                                |  |
|--------------------------------|--|
| “Completion”                   | completion of the Disposal in accordance with the Sale and Purchase Agreement  |
| “Directors”                    | directors of the Company   |
| “Disposal”                     | the disposal by the Vendor of the Sale Share and the Sale Loan subject to and upon the terms and conditions of the Sale and Purchase Agreement   |
| “Group”                        | the Company and its subsidiaries   |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company or any of their respective associates in accordance with the Listing Rules |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Purchaser”                    | 王智强 (Wang Zhiqiang*), purchaser to the Sale and Purchase Agreement   |
| “Sale and Purchase Agreement”  | the sale and purchase agreement dated 18 June 2019 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Share and the Sale Loan   |
| “Sale Share”                   | one (1) share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company  |
| “Sale Loan”                    | all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor, the Group on or at any time prior to Completion  |
| “Shareholders”                 | holders of the Shares  |
| “Shares”                       | ordinary shares of HK\$0.01 each in the capital of the Company   |

|                  |   |
|------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited   |
| “Target Company” | Cosmo Soar Limited, a company incorporated in the British Virgin Islands with limited liability                           |
| “Target Group”   | Target Company and the Cambodia Company   |
| “Vendor”         | Oceanic Zone Limited, a company incorporated in Samoa with limited liability and a wholly owned subsidiary of the Company |
| “HK\$”           | Hong Kong dollars, the lawful currency of Hong Kong   |
| “US\$”           | United States dollars, the lawful currency of the United States of America  |
| “%”              | per cent.   |

By the order of the Board of  
**Green Leader Holdings Group Limited**  
**Mr. Zhang Sanhuo**  
*Chairman*

Hong Kong, 18 June 2019

*As at the date of this announcement, Mr. Zhang Sanhuo and Mr. Tse Michael Nam are the executive Directors, Mr. Zou Chengjian and Dr. Lam Lee George are the non-executive Directors, and Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph GBS, JP and Mr. Zhou Chunsheng are the independent non-executive Directors.*

\* *For identification purposes only*