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GREEN ENERGY GROUP LIMITED

綠色能源科技集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 979)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF ASSETS

Reference is made to the announcement (the “Announcement”) of Green Energy Group Limited (the “Company”) dated 22 August 2019 in relation to the discloseable transaction of provision of the Shareholder’s Loan. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 28 August 2019, Recycled Plastics Pellets Manufacturing (Kobe) Company Limited (“Recycled Plastics Pellets”) (an indirect non-wholly owned subsidiary of Green Energy Group Limited (“Company”, together with its subsidiaries, the “Group”)) entered into an agreement with Chuang Tieh Plastic Technology Equipment Limited (川鐵高新技術有限公司) (“Chuang Tieh”), pursuant to which Recycled Plastics Pellets agreed to purchase and Chuang Tieh agreed to sell two (2) sets of machines at an aggregate consideration of USD1,000,000.00.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the transactions contemplated under the acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Recycled Plastics Pellets is indirectly owned as to approximately 34% by Chou Pin Juo, the director of Recycled Plastics Pellets and the main shareholder of Blue Sky Global Holdings Limited (“Blue Sky”), the holder of 34% of shares of Recycled Plastic Pellets, whereas Chuang Tieh is owned by Chou Pin Yen, a family member of Chou Pin Juo. Accordingly, Chuang Tieh is a connected person of the Company at the subsidiary level and the acquisition constitutes a connected transaction under Chapter 14A of the Listing Rules.

* For identification purpose only

Since the applicable percentage ratios for the acquisition is less than 25% and the total consideration for the acquisition is less than HK\$10,000,000.00, the transaction is only subject to the reporting and announcement requirements and is exempt from the circular and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

General Information of the Parties

The Group is principally engaged in the business of recycling waste construction and plastic materials, the provision of waste processing services, the development in renewable energy and money lending.

Recycled Plastic Pellets is a non-wholly owned subsidiary of the Company and is principally engaged in the business of plastic waste recycling and processing.

Blue Sky is a limited liability company established under the laws of Hong Kong, a shareholder of Recycled Plastic Pellets and is principally engaged in the business of plastic waste recycling and advisory.

Chuang Tieh is a company established under the laws of Taiwan, with company registration number 42914962 and is principally engaged in the business of the manufacturing and designing plastic extrusion equipment.

Reasons for the Acquisition

In view of the recent change in environmental regulations in the PRC which has led to increased competition and pressure on the selling price of our existing products, the Board is of the view that the acquisition of the machines will facilitate the plastic recycling business of Recycled Plastic Pellets and it will allow the Group to broaden its current product range to high-end premium plastic materials, and generate a higher profit margin by producing high-end premium products with lower impurities by using advanced technology equipment.

The consideration was determined after arm's length negotiations between Chuang Tieh as the vendor and Recycled Plastic Pellets as the purchaser and was determined after taking into account the synergies with the current business portfolio of Recycled Plastic Pellets. The Board is also of the view that the terms of the agreement in respect of the acquisition of assets are on normal commercial terms and are fair and reasonable and in the interests of the Group and the shareholders as a whole.

On behalf of the Board
Green Energy Group Limited
Luo Xian Ping
Chairman

Hong Kong, 28 August 2019

As at the date of this announcement, the Company has two executive Directors, namely Mr. Luo Xian Ping and Mr. Ho Wai Hung, and three independent non-executive Directors, namely Mr. Tam Chun Wa, Mr. Sze Cheung Pang and Mr. Wong Sai Hung.