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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 IN RELATION TO ACQUISITION OF EQUIPMENT

EQUIPMENT SALES AGREEMENT

On 18 June 2024 (after trading hours of the Stock Exchange), the Buyer, an indirect wholly-owned subsidiary, as the buyer, and the Seller, as the seller, entered into the Equipment Sales Agreement for the sale and purchase of the Equipment at the Consideration of approximately RMB2,035,000 (inclusive of tax) (equivalent to approximately HK\$2,261,000).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Equipment Sales Agreement are more than 5% but less than 25%, the entering into the Equipment Sales Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Equipment Sales Agreement are summaries below:

Date: 18 June 2024

Parties: (i) the Buyer as the buyer; and
(ii) the Seller as the seller

The Seller is a company established in the PRC with limited liability and is principally engaged in sales of machinery and equipment. The Seller is ultimately owned as to 51% by Han Aijun and as to 49% by Han Xiao. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Seller and its ultimate beneficial owners, Han Aijun and Han Xiao, are Independent Third Party.

Equipment to be acquired: Pursuant to the Equipment Sales Agreement, the Buyer agreed to buy and the Seller agreed to sell the Equipment.

Consideration: The Consideration for the sale and purchase of the Equipment shall be approximately RMB2,035,000 (inclusive of tax) (equivalent to approximately HK\$2,261,000) and shall be submitted in cash, which was arrived at after arm's length negotiations between the Buyer and the Seller with reference to the prevailing market price of other comparable equipment.

The Buyer shall pay 90% of the Consideration to the Seller within 15 days after the inspection and acceptance by the Buyer and the issue of the value added tax invoice.

The remaining 10% of the Consideration shall act as the quality deposit. The Buyer shall pay the remaining 10% of the Consideration to the Seller within 15 days from the expiry of the warranty period and the issue of the quality assurance report by the Buyer.

Delivery: The Seller shall be responsible for the delivery of the Equipment within 30 days from the date of the Equipment Sales Agreement to a location in Gujiao City, Taiyuan City, Shanxi Province, the PRC as designated by the Buyer.

Inspection, dispute period and warranty period: The Buyer and the Seller shall jointly inspect the Equipment. If the Buyer does not accept the Equipment, the Buyer may request the Seller to exchange within 3 days at no additional cost. If the Seller fails to arrange exchange in time, it shall be deemed as delay in delivery of the Equipment.

Dispute period of 7 days shall commence from the date on which the installation and tuning of the Equipment having been completed and the normal operation of the Equipment having been commenced. If there is any quality issue during the dispute period, the Seller shall arrange for repairment or exchange at no additional cost.

Warranty period of 1 year shall commence from the end of the dispute period and the issue of the inspection acceptance report. If there is any quality issue during the warranty period, the Seller shall arrange for repairment. If there is any quality issue after the end of the warranty period, the Seller shall arrange for repairment at cost.

Installation and tuning: The Seller shall be responsible for the installation and tuning of the Equipment and provide technical advisory service to the Buyer until the normal operation of the Equipment.

Default: If there is delay in delivery of the Equipment for more than 7 days, the Buyer is entitled to terminate the Equipment Sales Agreement, request for refund of the amount paid and the payment of penalty equivalent to 20% of the Consideration by the Seller.

If the Equipment delivered is not in accordance with the provisions set out in the Equipment Sales Agreement, the Buyer is entitled to terminate the Equipment Sales Agreement or refuse to accept the exchange and request for the payment of penalty equivalent to 20% of the Consideration by the Seller.

REASONS AND BENEFITS FOR THE ENTERING INTO OF THE EQUIPMENT SALES AGREEMENT

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

As disclosed in the announcements of the Company dated 19 January 2024 and 7 February 2024, the financial information of 山西煤炭運銷集團能源投資開發有限公司 (Shanxi Coal Transportation and Marketing Group Energy Investment Development Company Limited*) and its subsidiaries would only be consolidated into the financial information of the Group up to 19 January 2024 which is subject to the audit work to be performed by the auditors of the Company for confirmation. In the circumstances, in order to further increase the profitability of the coal operation business of the Group, the Group plans to commence coal mixing and sale of mixed coal business, building upon its existing coal related business. As further disclosed in the announcement of the Company dated 29 May 2024, the Group has entered into a lease agreement for the premises to be used as the mixing and processing facility of coal mixing and sale of mixed coal business.

It is intended that following the delivery, installation, tuning and the commencement of the normal operation of the Equipment, the Group will be able to commence the coal mixing and sale of mixed coal business.

Having considered the aforementioned reasons and taking into account the market price of the comparable equipment, the Board (including the independent non-executive Directors) considers that the terms of the Equipment Sales Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

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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
“Buyer”	古交市恒佰泰煤炭貿易有限公司 (Gujiao Hengbaitai Coal Trading Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the 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 Stock Exchange (stock code: 0061)
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the consideration for the sale and purchase of the Equipment, being approximately RMB2,035,000 (inclusive of tax) (equivalent to approximately HK\$2,261,000)
“Directors”	directors of the Company
“Equipment”	the equipment to be purchased by the Buyer under the Equipment Sales Agreement, including but not limited to coal blender, weighting sensor, conveyor belt, speed sensor, and uninterruptible power supply
“Equipment Sales Agreement”	the equipment sales agreement dated 18 June 2024 and entered into between the Buyer, as the buyer, and the Seller, as the seller, in relation to the sale and purchase of the Equipment at the Consideration
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Seller”	山西榮興機電設備有限公司 (Shanxi Rongxing Electric and Mechanical Equipment Co., Ltd.*), a company established in the PRC with limited liability
“Share(s)”	ordinary shares(s) of HK\$0.001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement have been translated at the rate RMB1.0 = HK\$1.1. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

** The English translation or transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 18 June 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.