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綠科科技

Greentech

GREENTECH TECHNOLOGY INTERNATIONAL LIMITED

綠 科 科 技 國 際 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00195)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE SALE SHARES INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 24 December 2019 (after trading hours), the Company entered into the Share Transfer Agreement with the Vendor pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell, the Sale Shares at the total consideration of HK$205,600,000. The Consideration shall be partially settled by cash in the amount of HK$18,000,000 and the balance of the Consideration shall be settled by issuance of the Consideration Shares.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all of the applicable percentage ratio are less than 25%, the Share Transfer Agreement and the transaction contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Completion is subject to the fulfillment of the conditions precedent set out in the Share Transfer Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that, on 24 December 2019 (after trading hours), the Company entered into the Share Transfer Agreement with the Vendor pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell, the Sale Shares at the total consideration of HK$205,600,000.

THE SHARE TRANSFER AGREEMENT

The principal terms of Share Transfer Agreement are set out below:

Date

24 December 2019 (after trading hours)

Parties

Vendor: the Vendor

Purchaser: the Company

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendor and its beneficial owner(s) is third party independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Share Transfer Agreement, the Company has conditionally agreed to purchase, and the Vendor has agreed to sell, the Sale Shares subject to fulfilment of the Conditions Precedent.

Consideration and Payment Terms

The Consideration for the Sale Shares shall be HK$205,600,000, subject to downward adjustment if the Final Valuation is less than the Consideration and in such event, the Consideration shall be adjusted downward by reducing therefrom an amount equal to the difference between the Consideration and the Final Valuation (the "**Shortfall**"). Adjustment to the Consideration shall be made by way of reducing the cash consideration. If the Shortfall exceeds HK$18,000,000, the number of the Consideration Shares shall also be reduced as shown below:

Number of Consideration Shares to be reduced (round up to the nearest one share) = (the Shortfall – 18,000,000)/0.1876

Assuming there be no adjustment on the Consideration, the Consideration shall be settled by the Company by cash in the amount of HK$18,000,000 and the balance of the Consideration shall be settled by the allotment and issue of 1,000,000,000 Consideration Shares by the Company at the Issue Price per Consideration Share on date of Completion to the Vendor.

The Issue Price of HK$0.1876 per Consideration Share represents:

(a) a discount of approximately 0.21% to the closing price of HK$0.188 per Share as quoted on the Stock Exchange on the date of the Share Transfer Agreement;

(b) the average closing price of HK$0.1876 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Share Transfer Agreement; and

(c) a discount of approximately 0.79% to the average closing price of HK$0.1891 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Share Transfer Agreement.

The Consideration was determined after arm's length negotiations between the parties to the Share Transfer Agreement after taking into account, among other things, (i) the business growth and prospects of the Target Group; (ii) the factors as set out in the section headed "Reasons for and benefits of the Acquisition"; (iii) the Mineral Resources and Ore Reserves Verification Report in relation to the Target Mine; and (iv) the preliminary valuation on the Target Group prepared by the Independent Valuer, being HK$2,106,000,000 (based on 60% interest in New Simin Resources is indirectly held by Yu Jin Investment (BVI)). Based on the above, the Directors (except that (a) each of Mr. Li Dong ("**Mr. Li**"), an executive Director, and Mr. Hsu Jing-Sheng ("**Mr. Hsu**") (the alternate director to Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J.J.P ("**Mr. Koo**"), the non-executive Director), has voted against the Acquisition at the Board Meeting; and (b) each of Mr. Chi Chi Hung, Kenneth ("**Mr. Chi**") and Mr. Chow Wing Chau ("**Mr. Chow**"), both are independent non-executive Directors, was absent from the Board Meeting) consider that the terms and conditions of the Share Transfer Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the sale and purchase of the Sale Shares is subject to the following conditions:

(a) the Company having informed the Vendor in writing that it is satisfied with the due diligence results in relation to financial, legal, tax and business aspects of the Target Group;

(b) the Company having obtained a legal opinion (particularly on the legality of New Simin Resources, the validity of the mining and exploration permits and registration approval) from a qualified Mongolian legal adviser and the Company is satisfied with such legal opinion;

(c) the Company having received the Target Group Valuation Report;

(d) the Company having informed the Vendor in writing that it is satisfied with the geology report and other relevant reports to be conducted on the Target Mine;

(e) there has been no improper or negative impact or material adverse change in the business, prospects, operations or finance of the Target Group from the date of the Share Transfer Agreement to the date of Completion;

(f) the Vendor having delivered to the Company the board resolutions of the Vendor passed pursuant to the Vendor's articles approving the Share Transfer Agreement and the transactions contemplated thereunder;

(g) all other necessary consent(s) from third parties (including governmental or official or regulatory authorities) and all other necessary consents and approvals required pursuant to any legal or regulatory requirement in respect of the transactions contemplated under the Share Transfer Agreement having been obtained;

(h) the Share Transfer Agreement and the transactions contemplated thereunder having been complied with the Articles of Association of the Company and the requirements under the applicable laws, rules and regulations (including the Listing Rules);

(i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares;

(j) the Vendor having procured New Simin Resources to enter into a framework agreement with the Company or any of its subsidiaries for the purchase of copper mineral from New Simin Resources at a price no higher than the market price; and

(k) all warranties, representations, indemnities and undertakings given by the Vendor shall remain true, accurate and not misleading from the date of the Share Transfer Agreement to the date of Completion.

Pursuant to the Share Transfer Agreement, the parties shall use their best endeavors to fulfill the Conditions Precedent. If any of the Conditions Precedent has not been fulfilled before the Long Stop Date, the Company shall not be obliged to complete the purchase of the Sale Shares and the Share Transfer Agreement shall immediately cease and determined and any party to the Share Transfer Agreement shall have the right to claim against the other for any antecedent breaches of the terms thereof. However, the Company may choose to continue to complete the purchase of the Sale Shares and request the Vendor to fulfill any of the outstanding conditions precedent after Completion. In addition, any party to the Share Transfer Agreement shall have the right to claim against the other for loss and damage as a result of not using their best endeavors to fulfill any of the conditions precedent.

Right of First Refusal

Pursuant to the Share Transfer Agreement, in the event that the Vendor proposes to sell or dispose of the remaining 90 shares of Yu Jin Investment (BVI) (representing 90% of the issued share capital in Yu Jin Investment (BVI)) in whole or any part thereof within two years from the date of Completion (or such other later period as agreed between the parties), the Company shall have a right of first refusal (the "**Right of First Refusal**") to purchase such shares at the same price and terms as offered by the Vendor to other third party purchaser.

In the event that the Company exercises the Right of First Refusal, the Company and the Vendor shall enter into a formal share transfer agreement. If the transaction contemplated under such formal share transfer agreement constitutes a notifiable transaction and/or connected transaction under the Listing Rules, the Company will comply with all relevant requirements under the Listing Rules.

Completion

Completion shall take place within three Business Days (or such other later date as agreed between the parties) upon the Conditions Precedent being satisfied, fulfilled and/or waived (as the case may be).

Upon Completion (assuming 1,000,000,000 Consideration Shares are to be issued to the Vendor), the Vendor and its associate(s) will become a connected person of the Company.

CONSIDERATION SHARES

The Consideration Shares comprise a total of 1,000,000,000 Shares which will be issued pursuant to the General Mandate. The Consideration Shares, when issued, would represent approximately 14.64% of the existing issued share capital of the Company as at the date of this announcement and approximately 12.77% of the issued share capital of the Company as enlarged by issue of the Consideration Shares.

The maximum number of Shares that can be issued under the General Mandate is 1,366,000,000 Shares. As at the date of this announcement, the General Mandate has not been utilized. Accordingly, the General Mandate is sufficient for the issue of the Consideration Shares and the issue of the Consideration Shares is not subject to the Shareholders' approval.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Consideration Shares. The Consideration Shares when allotted and issued shall be credited as fully paid and at all times rank *pari passu* among themselves and with the Shares in issue as at the date of issue of the Consideration Shares.

INFORMATION ON THE GROUP AND THE PURCHASER

The Company is an investment holding company and its subsidiaries are principally engaged in mining businesses, which include the exploration, development and mining of tin and copper bearing ores in Australia.

INFORMATION ON THE TARGET GROUP

Yu Jin Investment (BVI), a Target Company, is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, it is wholly-owned by the Vendor.

Yu Jin Investment (Singapore), a Target Company, is an investment holding company incorporated in Singapore with limited liability. As at the date of this announcement, it is wholly-owned by Yu Jin Investment (BVI).

New Simin Resources, a Target Company, is a company incorporated in Mongolia and wholly-owns the Target Mine as at the date of this announcement. New Simin Resources is owned as to 60% by Yu Jin Investment (Singapore) and the remaining interest of New Simin Resources is owned by Independent Third Parties.

The Target Group is principally engaged in the exploration and mining of copper and related minerals. As at the date of this announcement, New Simin Resources holds the Exploration License and the Extraction License in respect of the Target Mine.

Save that Yu Jin (Singapore) acquired 60% equity interests of New Simin Resources in May 2009, none of the members of the Target Group (other than New Simin Resources) has conducted any business activities since its incorporation nor have any other material assets as at the date of this announcement.

Set out below is the unaudited financial information of the Target Group for the two years ended 31 December 2017 and 2018:

	For the year ended 31 December 2017	**For the year ended 31 December 2018**
	US$	*US$*
	(approximately)	*(approximately)*
Revenue	—	—
Net loss before taxation	105,885	103,888
Net loss after taxation	105,885	103,888

The unaudited net asset value of the Target Group as at 31 December 2017 and 31 December 2018 was approximately US$10.66 million (equivalent to approximately HK$83.15 million) and US$10.55 million (equivalent to approximately HK$82.29 million), respectively.

THE TARGET MINE

The exploration and extraction right of the Target Mine covers an area for exploration and extraction of 1,933.96 hectares' field in the place named Saran Uul on the territory of Jinst soum, Bayankhongor province, Mongolia.

According to the Mineral Resources and Ore Reserves Verification Report, the Target Mine is estimated to contain a total of approximately 1.63 million tons of ore copper minerals, which comprises of grade 1, grade 2 and grade 3 ore copper metal of 473,900 tons, 544,000 tons and 612,000 tons, respectively.

As at the date of this announcement, extraction has not yet been commenced in the Target Mine. After making reasonable enquiries to New Simin Resources, it is expected that extraction at the Target Mine would be commenced in the second quarter of 2020.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in exploration, development and mining of tin and copper bearing ores in Australia through a joint operation. As disclosed in the Company's interim report for the six months ended 30 June 2019, the Group has been exploring opportunities to expand its business to overseas emerging markets other than Australia with an objective to further increase its profitability and diversify its business. In this regard, the Group had identified the Target Mine which would meet the Group's needs on strengthening its mineral portfolio. Further, through the Acquisition, the Company shall benefit from the Vendor procuring New Simin Resources to enter into a framework agreement with the Company for the purchase of copper mineral from New Simin Resources at a price no higher than the market price. Hence, this is expected to support the sustainable development of the Group in respect of growth and profit potential through the Acquisition. The Directors (except that (a) each of Mr. Li and Mr. Hsu (the alternate director to Mr. Koo) has voted against the Acquisition at the Board Meeting; and (b) each of Mr. Chi and Mr. Chow was absent from the Board Meeting) also consider that the Right of First Refusal under the Share Transfer Agreement provides the Group with an opportunity to increase its shareholding interest in the Target Group in view of future prospects of the Target Mine.

In view of the foregoing, the Directors (except that (a) each of Mr. Li and Mr. Hsu (the alternate director to Mr. Koo) has voted against the Acquisition at the Board Meeting; and (b) each of Mr. Chi and Mr. Chow was absent from the Board Meeting) consider that the terms of the Share Transfer Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of the Company as at the date of this announcement and immediately following the issue of the Consideration Shares:

Shareholders	As at the date of this announcement		Immediately following the issue of the Consideration Shares	
	Shares	*%*	*Shares*	*%*
Director:				
Tan Sri Dato' Koo Yuen Kim P.S.M., D.P.T.J.J.P	2,029,661,766	29.72	2,029,661,766	25.92
Substantial Shareholders:				
Cybernaut Greentech Investment Holding (HK) Limited ("**Cybernut**") *(Note)*	1,700,000,000	24.89	1,700,000,000	21.71
The Vendor (or its nominee)	—	—	1,000,000,000	12.77
Public:				
Public Shareholders	3,100,338,234	45.39	3,100,338,234	39.60
Total	6,830,000,000	100.00	7,830,000,000	100.00

Note:

Ren Ming Hong controlled 100% of the equity interest in Amazing Express International Limited, which controlled 100% of the equity interest in Excel Jumbo International Limited. Excel Jumbo International Limited controlled 50% of the equity interest in Cybernaut. Therefore, Ren Ming Hong, Amazing Express International Limited and Excel Jumbo International Limited were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.

Yu Tao controlled 99% of the equity interest in 新余銘沃投資管理中心, which controlled 99% of the equity interest in 上海港美信息科技中心. 上海港美信息科技中心 controlled 50% of the equity interests in Cybernaut. Therefore, Yu Tao, 新余銘沃投資管理中心 and 上海港美信息科技 中心 were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.

Zhu Min controlled 90% of the equity interest in 杭州悠然科技有限公司, which controlled 91% of the equity interest in 賽伯樂投資集團有限公司. 賽伯樂投資集團有限公司 controlled 50% of the equity interest in 北京賽伯樂綠科投資管理有限公司. 北京賽伯樂綠科投資管理有限公司 controls 95% of the equity interest in 賽伯樂綠科(上海)投資管理有限公司, which controlled 50% of the equity interest in 杭州賽旭通投資管理有限公司, 杭州賽旭通投資管理有限公司 controlled 1% of the equity interest in 上海港美信息科技中心. Furthermore, 北京賽伯樂綠科投資管理有限公司 controlled 95% of the equity interest in 賽伯樂綠科員(深圳)投資管理有限公司, which held 1% of the equity interest in 新余銘沃投資管理中心. 新余銘沃投資管理中心 controlled 99% of the equity interest in 上海港美信息科技中心. 上海港美信息科技中心 controlled 50% of the equity interests in Cybernaut. Therefore, Zhu Min, 杭州悠然科技有限公司, 賽伯樂投資集團有限公司, 北京賽伯樂綠科投資管理有限公司, 賽伯樂綠科(上海)投資管理有限公司, 杭州賽旭通投資管理有限公司 and 賽伯樂綠科員(深圳)投資管理有限公司 were deemed to be interested in 1,700,000,000 shares in the Company held by Cybernaut.

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all of the applicable percentage ratio are less than 25%, the Share Transfer Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Completion is subject to the fulfillment of the conditions precedent set out in the Share Transfer Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

"Acquisition"	the purchase of the Sale Shares by the Purchaser in accordance with the terms of the Share Transfer Agreement
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Board Meeting"	the meeting of the Board held before the entering into of the Share Transfer Agreement, to approve, among the others, the Share Transfer Agreement and the transaction contemplated thereunder
"Business Day"	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in Hong Kong
"BVI"	the British Virgin Islands
"Completion"	the completion of the Acquisition contemplated under the Share Transfer Agreement
"Company"	Greentech Technology International Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it in the Listing Rules
"Conditions Precedent"	the conditions precedent to the Completion
"Consideration"	the total consideration for the Acquisition in the sum of HK$205,600,000

"Consideration Shares"	an aggregate of 1,000,000,000 new Shares to be allotted and issued by the Company to the Vendor or such other person or company as nominated by it at the Issue Price of HK$0.1876 per Share upon completion of the Acquisition, and "**Consideration Share**" means any of them
"Director(s)"	the director(s) of the Company
"Exploration License"	the minerals exploration licence issued by Mineral Resources Authority of Mongolia on 16 November 2011 permitting New Simin Resources to conduct minerals exploration and surverying activities at the Target Mine for a period until 16 November 2041
"Extraction License"	the minerals extraction licence issued by Mineral Resources Authority of Mongolia on 16 November 2011 permitting New Simin Resources to conduct minerals extracting activities at the Target Mine for a period until 16 November 2041
"Final Valuation"	the final fair value of the Sale Shares, which represents 10% of the final fair value of the Target Group to be shown on the Target Group Valuation Report (based on 60% interest in New Simin Resources is indirectly held by Yu Jin Investment (BVI))
"General Mandate"	the general mandate granted to the Directors by the Shareholders to allot, issue and deal with Shares not exceeding 20% of the then issued share capital of the Company at the annual general meeting of the Company held on 31 May 2019
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Valuer"	AP Appraisal Limited, an independent valuer engaged by the Company to prepare the Target Group Valuation Report
"Independent Third Party(ies)"	a person or persons or a company or companies and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquires, is not or are not our connected person(s) within the meaning ascribed under the Listing Rules
"Issue Price"	the issue price of HK$0.1876 per Consideration Share

"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 January 2020 or such other day as the parties may agree in writing
"Mineral Resources and Ore Reserves Verification Report"	蒙古國巴彥洪戈爾省沙冉五爾礦區銅礦儲量核實報告 issued by 北京京川開源勘探技術諮詢有限公司 in December 2019
"New Simin Resources"	New Simin Resources Company Limited, a company incorporated in Mongolia with limited liability and owned as to 60% by Yu Jin (Singapore) as at the date of this announcement
"PRC"	the People's Republic of China which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	the Company
"Sale Shares"	10 ordinary shares of Yu Jin Investment (BVI), representing 10% of the entire issued share capital of Yu Jin Investment (BVI) as at the date of this announcement and as at the date of Completion
"Shareholders"	shareholders of the Company
"Share Transfer Agreement"	the share transfer agreement dated 24 December 2019 entered into between the Vendor and the Purchaser relating to the Acquisition
"Shares"	ordinary share(s) of HK$0.005 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies" or Each a "Target Company"	collectively, Yu Jin Investment (BVI), Yu Jin Investment (Singapore) and New Simin Resources
"Target Group"	the Target Companies
"Target Group Valuation Report"	the valuation report to be issued by the Independent Valuer regarding the valuation of the Target Group
"Target Mine"	蒙古國巴彥洪戈爾省沙在冉五爾礦區(MV-016950), an underground copper mineral mine located at longitudes from 100°35′14″E to 100°36′56″E and latitudes from 45°45′35″N to 45°46′56″N in Mongolia

"Vendor"	Yu Jin Holdings Co. Ltd., an investment holding company incorporated in the BVI with limited liability and owned as to 50% by Li He and 50% by Li Muou
"Yu Jin Investment (BVI)"	Yu Jin Investment Co. Ltd., a company incorporated in the BVI with limited liability and wholly-owned by the Vendor as at the date of this announcement
"Yu Jin Investment (Singapore)"	Yu Jin Investment Co. Pte. Ltd., a company incorporated in Singapore with limited liability and wholly-owned by Yu Jin Investment (BVI) as at the date of this announcement
"%"	per cent.

By order of the Board
Greentech Technology International Limited
Wang Chuanhu
Executive Director

Hong Kong, 24 December 2019

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely, Mr. LI Dong, Mr. NIE Dong, Mr. WANG Chuanhu and Ms. XIE Yue; one non-executive director, namely Tan Sri Dato' KOO Yuen Kim P.S.M., D.P.T.J.J.P (Mr. HSU Jing-Sheng as his alternate) and three independent non-executive directors, namely, Mr. CHI Chi Hung, Kenneth, Mr. ZENG Jin and Mr. CHOW Wing Chau.

This announcement has been approved by all of the Directors (other than Mr. Li, Mr. Koo (including Mr. Hsu), Mr. Chi and Mr. Chow).

Website: http://www.green-technology.com.hk

In this announcement, for the purpose of illustration only, amounts quoted in US$ have been converted into HK$ at the rate of US$1.00 to HK$7.80. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.