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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)**

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF TIN SUPPLY CONTRACT**

Reference is made to the announcements of the Company dated 31 January 2019 and 19 October 2021 in respect of the entering into of the Previous Tin Supply Contract for the supply of tin concentrates between Yunnan Tin Australia TDK Resources Pty Ltd. (being the Buyer) and YT Parksong Australia Holding Pty Limited (being the Seller) respectively. In view of the expiry of the Previous Tin Supply Contract, the Buyer and the Seller decided to enter into the New Tin Supply Contract, pursuant to which the Seller agreed to supply and the Buyer agreed to buy tin concentrates for a three-year term commencing from 1 February 2022 to 31 January 2025.

As the Buyer is wholly-owned by Yunnan Tin PRC, which is a substantial shareholder of Yunnan Tin HK (a non wholly-owned subsidiary of the Company), the Buyer is therefore a connected person of the Company and the transactions contemplated under the New Tin Supply Contract will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the transactions contemplated under the New Tin Supply Contract are connected transactions between a non wholly-owned subsidiary of the Company (namely the Seller) and a connected person at the subsidiary level (namely the Buyer) on normal commercial terms, such transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

## **THE NEW TIN SUPPLY CONTRACT**

**Date:** 23 December 2021

**Parties:**

**Seller:** YT Parksong Australia Holding Pty Limited, a non wholly-owned subsidiary of the Company

**Buyer:** Yunnan Tin Australia TDK Resources Pty Ltd.. As the Buyer is wholly-owned by Yunnan Tin PRC and Yunnan Tin PRC is a substantial shareholder of a non wholly-owned subsidiary of the Company (namely Yunnan Tin HK), the Buyer is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

**Term:** 1 February 2022 to 31 January 2025

**Nature of transaction:**

Pursuant to the New Tin Supply Contract, the Seller agreed to supply tin concentrates from Australia to the Buyer in accordance with the terms of the New Tin Supply Contract.

**Quantity:**

Total quantity of the tin concentrates to be supplied within the contract period of the New Tin Supply Contract should be between 6,000-12,000 wmt per annum (plus/minus 5%) with shipment of about 500 to 1,000 wmt (plus/minus 5%) per month. The supply quantity is at option of the Seller.

**Purchase formula:**

**(a) Pricing basis**

The price of tin concentrates per dry metric ton was agreed by the parties to the New Tin Supply Contract after taking into account: (i) the official LME cash settlement average price of tin metal in the quotational period; (ii) deduction of a treatment charge calculated at an agreed fixed rate per dmt specified in the New Tin Supply Contract; (iii) deduction based on the final tin content; and (iv) penalty for impurity.

The Buyer will deduct base units of the final tin content and will pay 100% of commercial value of the balance after deduction at the official LME cash settlement for tin in USD as published London Metal Bulletin averaged over the quotational period.

The Seller will inform the Buyer LME cash settlement average price for tin in the quotational period within 3 work days after the quotational period. The price will be final balance price after the Seller confirmed the price.

**(b) Quotational period**

The quotational period will be 45 calendar days after the date of the bill of lading.

**(c) Deduction based on the final tin content**

Deduction of agreed fixed units based on 55% final tin content.

If final tin content is higher or lower than 55%, the deduction will be adjusted at specified rates set out in the New Tin Supply Contract depending on the percentage of final tin content.

If final tin content is lower than 45%, the parties will renegotiate for tin concentrates price.

***(d) Impurity penalty***

If the tin concentrates contain sulphur, arsenic, antimony, copper, bismuth, lead or zinc at a level higher than that specified in the New Tin Supply Contract, the price of the tin concentrates will be subject to the respective deduction of impurity penalty calculated at the specified rates set out therein.

**Payment terms:**

The Buyer will pay 85% of the provisional value of each lot of the tin concentrates based on the official LME cash settlement price of the bill of lading date by telegraphic transfer within three working days after the Buyer receives all shipment documents and the remaining part will be settled within 10 working days after the final analysis and weights of tin concentrates are confirmed by both the Seller and the Buyer, which is not later than 50 days from the bill of lading date.

**Legal compliance:**

The Buyer undertakes that it will provide the auditors of the Company with sufficient access to the Buyer's records for the purpose of reporting on the transactions under the New Tin Supply Contract.

## THE ANNUAL CAPS

### Previous Annual Caps

The historical aggregate transaction amount and the annual caps under the Previous Tin Supply Contract are set out as follows:

	<b>From 1 February 2019 to 31 December 2019 (HK\$ million)</b>	<b>From 1 January 2020 to 31 December 2020 (HK\$ million)</b>	<b>From 1 January 2021 to 31 December 2021 (HK\$ million)</b>	<b>From 1 January 2022 to 31 January 2022 (HK\$ million)</b>
Annual cap under the Previous Tin Supply Contract <sup>(Note 1)</sup>	480	633	1,200	140
Historical aggregate transaction amount	444	433	902 <sup>(Note 2)</sup>	Not available

*Notes:*

1. Please refer to the announcements of the Company dated 31 January 2019 and 19 October 2021 for details.
2. This figure covers for the historical aggregate transaction amount up to 30 November 2021.

The Company has confirmed that the annual caps for the Previous Tin Supply Contract have not been exceeded as at the date of this announcement.

## **Proposed Annual Caps**

The Annual Cap in respect of the transactions contemplated under the New Tin Supply Contract for 1 February 2022 to 31 December 2022, 1 January 2023 to 31 December 2023, 1 January 2024 to 31 December 2024, and 1 January 2025 to 31 January 2025 are proposed to be HK\$1,800,000,000, HK\$2,000,000,000, HK\$2,000,000,000 and HK\$180,000,000 respectively. The Annual Caps were determined with reference to (a) the historical transaction amounts between the Buyer and the Seller, (b) the historical settlement value between the Buyer and the Seller; (c) the estimated volume for the supply of tin concentrates from Australia from 1 February 2022 to 31 January 2025; and (d) the historical fluctuation of the LME cash settlement average price of tin metal.

## **PRICING POLICY**

The Company has adopted the following procedures to ensure the pricing basis of tin prices (after the relevant deductions and penalties) under the New Tin Supply Contract are no less favourable to the Company than those prevailing in the market.

As disclosed above, the tin concentrate settlement prices under the New Tin Supply Contract will be determined with reference to the average LME cash settlement price of tin metal during the relevant quotational period after the relevant deductions, penalties and treatment charges, which are in line with market practice.

In preparing the tin supply contract, the Company reviewed and ascertained the reasonableness and fairness of the deduction terms and payment terms by comparing the terms offered by the Buyer with those for the supply to an independent third party and our joint-venture partner respectively at that time.

The terms of the New Tin Supply Contract are subject to annual review by the parties to be performed by end of each year and the parties will determine whether the terms of these contracts require any amendment. The Seller would check the quotation or offer (as the case may be) from third parties (if available), compare the price therein with that under the New Tin Supply Contract and discuss internally and negotiate with the Buyer for favourable improvement during such annual review process if there exists any better terms including pricing basis prevailing in the market.

## **INFORMATION OF THE BUYER**

The Buyer is a limited liability company incorporated in Australia and is principally engaged in tin mining in Australia. The Buyer is wholly owned by Yunnan Tin PRC, a substantial shareholder of Yunnan Tin HK (a non wholly-owned subsidiary of the Company which holds 100% equity interest of the Seller). Yunnan Tin PRC has the largest production and manufacturing base in the world for tin metal and the largest production centre for tin profiles, tin chemicals and arsenic chemicals in the PRC. It also owns the state-level enterprise technology centre and the biggest tin research and precious metals research and development organization in the PRC.

## **REASONS FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS**

The Group is principally engaged in exploration of non-ferrous metal resources including mining and sale of tin resource. The Seller had sold the tin concentrates to the Buyer and/or its associate since 2011. The tin concentrates which the Company proposes to sell to the Buyer under the New Tin Supply Contract are the products and the by-products from the exploration of tin of a mining project of the Group in Tasmania of Australia. The Board is of the view that the entering into of the New Tin Supply Contract will allow the Group to secure a stable source of revenue which will improve Shareholders' return given the considerable size and business operations of Yunnan Tin PRC as aforementioned.

The Board has further advised that given the size and reputation of the Yunnan Tin PRC Group as described under the section headed "Information of the Buyer" of this announcement, it is the corporate strategy of the Company, through the Continuing Connected Transactions with the Buyer, to maintain business relationship with the Yunnan Tin PRC Group and to explore further investment opportunities in the future.

## **LISTING RULES IMPLICATIONS**

As the Buyer is wholly-owned by Yunnan Tin PRC and Yunnan Tin PRC is a substantial shareholder of Yunnan Tin HK (a non wholly-owned subsidiary of the Company), the Buyer is a connected person of the Company and the transactions contemplated under the New Tin Supply Contract will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.



“Buyer”	Yunnan Tin Australia TDK Resources Pty Ltd., a wholly-owned subsidiary of Yunnan Tin PRC
“Company”	Greentech Technology International Limited, a company incorporated in the Cayman Islands whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the New Tin Supply Contract between the Seller and the Buyer for the period from 1 February 2022 to 31 January 2025
“Director(s)”	the director(s) of the Company
“dmt”	dry metric ton (metric ton, dry basis)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LME”	the London Metal Exchange
“New Tin Supply Contract”	the agreement dated 23 December 2021 entered into between the Seller and the Buyer in relation to the supply of tin concentrates for the period from 1 February 2022 to 31 January 2025
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Previous Tin Supply Contract”	the agreement dated 31 January 2019 entered into between the Seller and the Buyer in relation to the supply of tin concentrates for the period from 1 February 2019 to 31 January 2022
“Seller”	YT Parksong Australia Holding Pty Limited, a limited liability company incorporated under the laws of Australia, which is wholly-owned by Yunnan Tin HK and therefore is a non wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“unit”	1% per dmt
“US\$”	United States dollars, the lawful currency of the United States of America
“wmt”	wet metric ton (metric ton, wet basis)
“Yunnan Tin HK”	Yunnan Tin Hong Kong (Holding) Group Co., Limited, a limited liability company incorporated under the laws of Hong Kong, which is beneficially owned as to 82% by Parksong Mining and Resource Recycling Limited, a wholly-owned subsidiary of the Company, and as to 18% by Yunnan Tin PRC, and is therefore an indirect non wholly-owned subsidiary of the Company
“Yunnan Tin PRC”	Yunnan Tin Group (Holding) Co., Ltd.* (雲南錫業集團(控股)有限責任公司), a limited liability company incorporated in the PRC, which is beneficially owned by the Government of the Yunnan Province and is the parent company of the Buyer

“Yunnan Tin PRC Group” Yunnan Tin PRC and its subsidiaries

“%” per cent

By the order of the Board  
**Greentech Technology International Limited**  
**Tan Sri Dato’ KOO Yuen Kim**  
**P.S.M., D.P.T.J. J.P**  
*Chairman*

Hong Kong, 23 December 2021

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely, Tan Sri Dato’ KOO Yuen Kim P.S.M., D.P.T.J. J.P (Dr. HSU Jing-Sheng as his alternate), Ms. XIE Yue, Dr. HSU Jing-Sheng, Mr. LI Zheng and Mr. SIM Tze Jye; and three independent non-executive directors, namely, Datin Sri LIM Mooi Lang, Mr. KIM Wooryang and Mr. Chan Tin Kwan Bobby.*

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

\* For identification purposes only