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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 –
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN A
WHOLLY-OWNED SUBSIDIARY**

The Board is pleased to announce that on 31 December 2022, the Company and the Purchaser have entered into the Sale and Purchase Agreement, pursuant to which the Company has sold to the Purchaser the entire issued share capital of the Target Company for an aggregate consideration of HK\$3,200,000. The Purchaser is an Independent Third Party.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

On 31 December 2022, the Company and the Purchaser have entered into the Sale and Purchase Agreement, pursuant to which the Company has sold to the Purchaser the entire issued share capital of the Target Company for an aggregate consideration of HK\$3,200,000.

THE DETAILS OF THE DISPOSAL OF THE PROPERTY

The principal terms of the Sale and Purchase Agreement are set out below.

Date:	31 December 2022
Parties:	(1) The Company, as the Vendor (2) Purchaser
Subject matter:	The Company agreed to sell and Purchaser agreed to purchase the entire issued share capital in the Target Company.
Consideration:	The aggregate amount of the consideration is HK\$3,200,000, which was determined after arm's length negotiations between the parties with reference to the Target Company's net assets value as at 30 November 2022 of approximately HK\$3 million. The aggregate amount of the consideration was paid by the Purchaser to the Vendor at Completion.
Completion:	Completion of the Sales and Purchase Agreement was unconditional and took place upon the signing of the Sale and Purchase Agreement.

INFORMATION ON THE PARTIES

Information on the Company

The Company is a company incorporated with limited liability in the Cayman Islands. The Group is principally engaged in tin mining operations and, prior to the Disposal, tin trading business, which was commenced in March 2022.

The Group intends to cease its tin trading business after the Disposal but will continue to monitor the tin price and look for similar or related business activities in the future when opportunities arise.

Information on the Purchaser

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

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company. The Target Company was incorporated in 2018 and commenced gold trading business during the year ended 31 December 2020. However, due to the instability in gold price in 2022, the Target Company has temporarily suspended the gold trading business and commenced the tin trading business in March 2022.

Set out below is a summary of the financial information on the Target Company:

	For the six months ended 30 June 2022	For the year ended 31 December	
		2021	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(unaudited)	(audited)	(audited)
	<i>(Note)</i>	<i>(Note)</i>	<i>(Note)</i>
Revenue	184,828,000	4,272,036,000	231,186,000
Profit (loss) before taxation	(1,504,000)	5,505,000	(417,000)
Profit (loss) after taxation	(1,504,000)	4,831,000	(417,000)

As at 30 November 2022, the unaudited net asset value of the Target Company amounted to approximately HK\$3,000,000.

Note: The revenue and loss for the six months ended 30 June 2022 were attributable to the Target Company's tin trading business, which is also the current principal activities of the Target Company. The major assets and liabilities of the Target Company as at 30 November 2022 were solely attributable to the Target Company's tin trading business. The revenue and profit of the Target Company for the two years ended 31 December 2021 were attributable to the gold trading business of the Target Group and such business activity has been suspended since 1 January 2022.

FINANCIAL IMPACT ON THE DISPOSAL AND USE OF PROCEEDS

Immediately after Completion, the Company will no longer hold any interest in the Target Company. As such, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Company's financial statements.

It is estimated that the Group will record a gain on the Disposal in the amount of approximately HK\$0.2 million, being the difference between the sale proceeds and unaudited net assets as at 30 November 2022. The actual gain or loss arising from the Disposal will be subject to audit and may be different from the amount stated.

REASONS FOR AND BENEFITS OF THE DISPOSAL

During the two years ended 31 December 2021, the principal activities of the Target Company were trading of gold products. However, due to gold price instability in 2022, the Group has temporarily suspended the gold trading business, which prior to its suspension, was conducted through the Target Company since 1 January 2022. The Target Company then commenced the tin trading business in March in the same year.

During the year, tin prices fluctuated significantly – it rose to its record high in March 2022 reaching over USD50,000 per tonne but plunged to below USD18,000 per tonne on 31 October 2022. In view of such drastic price fluctuation and the Group's tin trading business has not been profitable so far, the management of the Group has decided to cease this business segment and disposed of the Target Company engaging in such business so that the Group can concentrate its resources on its tin mining business. That said, the management will continue to monitor the tin price and look for similar or related business activities in the future should opportunity arises.

In addition, the Purchaser has originally indicated to the management of the Company that it can cooperate with the Group for the sale of the tin inventory of the Target Company and has indicated to the Group that it might have potential buyer(s) of the tin products of the Target Company. Instead of selling the tin products to individual customers, the Group has chosen to sell the Target Company in one go as the Group does not have to negotiate with individual customers on credit terms and other terms for each sale if it is to sell the equity interest of the Target Company as a whole instead of selling the tin products.

Hence, the Disposal is in line with the Company's strategic plan and allows it to streamline business structure and resources as well as promote and focus on its principal businesses. The Company intends to apply the net proceeds of approximately HK\$3.1 million from the Disposal as general working capital.

Based on the above, the Directors are of the view that the Sale and Purchase Agreement was entered into on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios in respect of the Disposal exceed 5% but is less than 25%, the Disposal constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“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 (stock code: 00195)
“Completion”	completion of the Disposal

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate sum of HK\$3.2 million, being the consideration paid by the Purchaser to the Company for the purchase of the entire equity interest in the Target Company
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire equity interest in the Target Company by the Company to the Purchaser pursuant to the Sale and Purchase Agreement
“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 PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Yeung Po Yi, an individual
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 December 2022 of the sale and purchase agreement entered into between the Company and the Purchaser in relation to the Disposal
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Greentech Technology International Development Limited incorporated in Hong Kong with limited liability

“USD”	The US dollars, the lawful currency of the United States of America
“Vendor”	the Company
“%”	per cent.

For and on behalf 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, 2 January 2023

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>