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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)

VOLUNTARY ANNOUNCEMENT

**MEMORANDUM OF UNDERSTANDING
ON
PROMOTION OF PLANTING AND PROCESSING OF CASSAVA
IN THE KINGDOM OF CAMBODIA**

The board (“**Board**”) of directors (“**Directors**”) of Green Leader Holdings Group Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) is pleased to announce that on 29 January 2018 (after trading hours), Green Leader (Cambodia) Co., Ltd., a wholly-owned subsidiary of the Company in Cambodia (“**Green Leader**”), and The Ministry of Agriculture, Forestry and Fisheries of the Kingdom of Cambodia (“**MAFF**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”) for cooperating and collaborating in various initiatives to promote, enhance and improve the planting and processing of cassava in the Kingdom of Cambodia including but not limited to the project of Green Leader (the “**Project**”) to invest and develop cassava product chains in the Kingdom of Cambodia by constructing ten cassava starch processing plants in various provinces throughout the Kingdom of Cambodia which can ultimately produce 1 million tonnes of cassava starch per annum within three years.

DETAILS OF THE MOU

Pursuant to the MOU, the parties agreed to the following major terms, among other things,

- (i) MAFF will facilitate and assist Green Leader and the Group on (a) site selection for the areas suitable to construct cassava starch processing plants for the Project in various provinces throughout the Kingdom of Cambodia; (b) coordination of contract farming agreements with local farmers; (c) their applications for all required governmental approvals and liaise with the relevant governmental departments at the ministries’ level and at the provincial level, as the case may be, to obtain such approvals for the Group in respect of the (a), (b) and (d); and (d) of the clause set up demonstrational site on mechanized farming and support the grant of tax incentives on all agro-related machinery import by the Group into the Kingdom of Cambodia for the Project;

- (ii) Green Leader will (a) develop the cassava product chain by establishing value added processing facilities to produce cassava starch and ethanol utilizing the raw cassava planted by the Cambodian farmers; (b) establish ten cassava starch processing facilities throughout the Kingdom of Cambodia within the next three years. Each cassava starch processing facility will have a standard design with an annual production capacity of 100,000 tonnes of cassava starch; (c) will work with local Cambodian farmers within each cassava processing plant under the contract farming arrangement to ensure that the Cambodian farmers will be able to sell their harvest directly to the processing plant to ensure a stable market and a guaranteed price; (d) set up of demonstration farm within each cassava processing plant to assist local Cambodian farmers to adopt and utilize appropriate farming techniques and use of fertilizers for better yield;
- (iii) MAFF and Green Leader will jointly develop cassava research and development center in the Kingdom of Cambodia in collaboration with local research institute or universities and well known overseas research institute to develop new higher-yielding cassava and diseases-resistant varieties to boost up the productivity of cassava-based farming system; and
- (iv) MAFF and Green Leader will jointly cooperate to establish a national cassava starch quality standards in Cambodia to facilitate the export of cassava starch to international markets.

For the avoidance of doubt, the MOU shall create no legal and binding obligation on the parties thereto save and except for (iv) above. The parties to the MOU intend that no legal rights or obligation between them will come into existence unless and until definitive agreements are signed and exchanged, and that in such event their respective legal rights and obligation will only be those set out in the definitive agreements.

REASONS FOR THE ENTERING INTO OF THE MOU

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 (mining operation), sales of coking coal and the provision of coal trading logistics services; and (iii) the provision of system integration services and software solutions.

The Company has been actively looking for opportunities to create shareholders' value through making investments and/or acquiring assets or projects that have promising outlooks and prospects, in particular, deep processing business for cassava starch. The Board believes that by entering into the MOU, the Group could fully develop cassava industry and a complete product chain in Cambodia which is in line with the government of Cambodia's development agenda as well as the supportive of China's Belt and Road Initiative and at the same time improve the livelihood of local farmers and communities. Therefore, the Directors consider that the MOU is in the interest of the Company and its shareholders as a whole.

The MOU sets out the intention between the relevant parties only, and it may or may not lead to the entering into and/or completion of any formal or definitive agreement(s). Any such further business development mentioned above may or may not materialize. The shareholders and/or the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By the order of the Board of
Green Leader Holdings Group Limited
Mr. Zhang Sanhuo
Chairman

Hong Kong, 30 January 2018

As at the date of this announcement, Mr. Zhang Sanhuo, Mr. Huang Boqi and Mr. Tse Michael Nam are the executive Directors, Mr. Zou Chengjian is the non-executive Director, and Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph _{GBS, JP} and Mr. Zhou Chunsheng are the independent non-executive Directors.