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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 ENTERED INTO BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND GREEN LEADER HOLDINGS GROUP LIMITED

The board (“**Board**”) of directors (“**Directors**”) of Green Leader Holdings Group Limited (the “**Company**”, “**Green Leader**” together with its subsidiaries as the “**Group**”) is pleased to announce that on 2 April 2018, the Company and the United Nations Development Programme (“**UNDP**”), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA) (collectively, the “**Parties**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”) for cooperation and facilitate and strengthen collaboration between the parties in areas of common interest.

The purpose of the MOU is to provide a framework of cooperation in order to facilitate and to strengthen collaboration between the Parties, on a non-exclusive basis, to develop sustainable cassava industry through inclusive economic growth while generating specific and measurable transformational development impacts in both smallholders’ community and industrial level. The spirit of cooperation between the Parties has areas of common interest under the 2030 Agenda for Sustainable Development, having regard to the respective objectives, functions, policies and procedures of each Party. In line with Green Leader’s agenda, which call for a new approach to transform a better value chain linkage between smallholders and industry players that would coincide the objectives of business development and livelihood security and poverty reduction. Within the context of the respective mandates, Green Leader also promotes the transformational impacts in empowering women farmers in accessing to productive resources and decision-making process. As such, the project investment would ensure equalized access to productive resources between men and women, with the view to increase the overall productivity by reducing gender productivity gaps.

Understanding the need for stronger multi-stakeholder partnership across governments, international institutions and private partners, the Green Leader – UNDP partnership will focus on scaling up ongoing initiatives and exploring new opportunities to collaborate on global, regional and country-level priorities for the effective realization of the Sustainable Development Goals in project development and implementation around shared priority areas including poverty reduction, gender equality, climate change, disaster risk and reduction, sustainable energy, capacity development and knowledge sharing.

Within the context of their respective mandates, objectives and procedures, the Parties anticipate the collaboration may focus on a number of specific areas best fitting the respective strategies and mandates in the following areas of cooperation:

- (i) Collaboration in project development and implementation in cassava crop productivity and quality transformation. The Parties acknowledge that in order to improve farm productivity, the industry stakeholders will need to narrow the gap between average farm yields and the experimental yield potential for cassava crop. Therefore, the Parties aim to leverage the existing Research and Development practices and technologies to generate better yield while improving quality-planting material and farming systems as a means to secure reliable supply chain to the foundation of sustainable and inclusive cassava industry in Cambodia;
- (ii) Development of supply chain sustainability. The Parties will promote inclusive market and business model for inclusive development, advancing the integration between Cassava Farmers Associations and Cooperatives with the private sectors, application of tailored commercial arrangement models, such as contract farming and best-suited supply chain financing mechanisms; and
- (iii) Development and innovation at end products of cassava: Establishing procedures and system to transform the waste and residue from processing cassava into biomass and organic fertilizers. Working together to align the contributions to each other's strategies and programs; and application of social environmental standards. And promoting systematic institutional cooperation – from broadening channels of information exchange, research, analysis and contacts to collaboration on key events; joint monitoring and communications to operationalize the MOU and action plan.

For the avoidance of doubt, the MOU shall create no legal and binding obligation on the parties. 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, 3 April 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.