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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)

ISSUE OF NEW SHARES PURSUANT TO GENERAL MANDATE

On 22 April 2020 (after trading hours), the Company entered into the conditional Subscription Agreements with each of the Subscribers respectively in relation to the Subscription of an aggregate of 1,264,148,900 new Shares by the Subscribers.

The Subscription Shares represent approximately 14.41% of the existing issued share capital of the Company and approximately 12.59% of the issued share capital as enlarged by the issue of the Subscription Shares.

On 22 April 2020 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers respectively in respect of the Subscription of the Subscription Shares.

THE SUBSCRIPTION AGREEMENTS

Date: 22 April 2020 (after trading hours)

Parties

- (i) The Company as the issuer
- (ii) The Subscribers as the subscribers

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers and (if applicable) their ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, save for Subscriber I who was also the subscriber for 294,430,943 Shares as disclosed in the announcement dated 22 April 2020, the Subscribers do not have any shareholding interests in the Company.

The Subscribers are individual and corporate investors and are creditors of the Company and have entered into relevant Loan Agreements with the Company. As at the date of the Subscription Agreements, the total principal amount of the outstanding indebtedness owed by the Company to the Subscribers under the Loan Agreements amounts approximately HK\$25,848,044 (the “**Outstanding Indebtedness**”).

Pursuant to the Subscription Agreements, each of Subscriber A, Subscriber B, Subscriber C, Subscriber D, Subscriber E, Subscriber F, Subscriber G, Subscriber H, Subscriber I, Subscriber J and Subscriber K will subscribe for 21,052,632, 88,664,579, 26,632,571, 26,632,571, 56,654,000, 235,980,632, 47,619,048, 232,808,905, 61,361,509, 228,039,623 and 238,702,830 Subscription Shares at the relevant Subscription Price respectively subject to and conditional upon the terms and conditions of the relevant Subscription Agreement.

The Subscription Shares

Pursuant to the Subscription Agreement, the Subscribers agree to subscribe for a total of 1,264,148,900 new Shares, which represents:

- approximately 14.41% of the existing issued share capital of the Company;
- approximately 12.59% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with all the Shares in issue on the date of completion of the Subscription.

None of the Subscribers will become a substantial Shareholder of the Company upon Completion of the Subscription.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate which was granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot and issue up to 20% of the number of Shares in issue on that date.

Under the General Mandate, the Company is authorized to issue up to 1,754,646,402 Shares. Up to the date of this announcement, save for the subscription of 487,827,170 Shares as disclosed in the announcement dated 22 April 2020, the General Mandate has not been utilized. The 1,264,148,900 Subscription Shares to be allotted and issued will utilize approximately 72.05% of the General Mandate.

Subscription Prices and the Subscription monies

The Subscription Price for Subscriber A, Subscriber B, Subscriber E and Subscriber F is HK\$0.019 per Subscription Share, which was agreed after arm's length negotiations between the Company and each of the relevant Subscribers respectively, and represents:

- (i) a discount of approximately 9.52% to the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 21 April 2020, being the last trading day of the Shares immediately preceding the date of this announcement; and
- (ii) a discount of approximately 10.38% to the average of the closing prices of approximately HK\$0.0212 per Share for the last 5 trading days ended 21 April 2020.

The Subscription Price for Subscriber C, Subscriber D, Subscriber G and Subscriber H is HK\$0.021 per Subscription Share, which was agreed after arm's length negotiations between the Company and each of the relevant Subscribers respectively, and represents:

- (iii) same as the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 21 April 2020, being the last trading day of the Shares immediately preceding the date of this announcement; and
- (iv) a discount of approximately 0.94% to the average of the closing prices of approximately HK\$0.0212 per Share for the last 5 trading days ended 21 April 2020.

The Subscription Price for Subscriber I, Subscriber J and Subscriber K is HK\$0.0212 per Subscription Share, which was agreed after arm's length negotiations between the Company and each of the relevant Subscribers respectively, and represents:

- (v) a premium of approximately 0.95% to the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 21 April 2020, being the last trading day of the Shares immediately preceding the date of this announcement; and
- (vi) same as the average of the closing prices of approximately HK\$0.0212 per Share for the last 5 trading days ended 21 April 2020.

As discussed under the paragraph headed "Reasons for the Subscription", the gross proceeds of approximately HK\$25,848,000 from the issue of the Subscription Shares under the Subscription will be used to set off against the Outstanding Indebtedness. Taking into account the professional fee incurred in relation to the Subscription, the net proceed of the Subscription is approximately HK\$25,698,000. On such basis, the net price per Subscription Share amounts approximately HK\$0.0203 per Subscription Share.

The Directors consider that the Subscription Prices, which were negotiated on an arm's length basis between the Company and the Subscribers separately with reference to the prevailing market prices of the Shares, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Subscription Price for the Subscribers is different from each other since the Company conducted negotiations for the Subscription with each of the Subscribers on an arm's length basis separately on an individual basis.

Condition precedent to the Subscription Agreements

Completion of the Subscription Agreement is conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares.

The Company will apply to the Stock Exchange for the approval for the listing of and permission to deal in the Subscription Shares. If the condition precedent is not fulfilled on or prior to 6 May 2020 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreements will terminate.

Completion of the Subscription Agreements

Completion of the Subscription is expected to take place within the third Business Day following the obtaining of the listing approval in respect of the Subscription Shares or such later date as the Company and the Subscribers may agree.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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 is of the view that the Subscription can strengthen the financial position of the Group and is an efficient way to reduce the indebtedness of the Group and reduce the gearing ratio of the Company. The Subscription also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.

The gross proceeds from the Subscription will be fully applied to set off the Outstanding Indebtedness under the Loan Agreements. Pursuant to the Subscription Agreements, the Subscribers agree that they will waive the interest under the Loan Agreements subject to completion.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreements are fair and reasonable and are on normal commercial terms and the Subscription is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Save for the subscription of 487,827,170 Shares as disclosed in the announcement of the Company dated 22 April 2020, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGM”	the annual general meeting of the Company convened on 31 May 2019
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which banks are open for business in Hong Kong
“Company”	Green Leader Holdings Group Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreements
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	the loan agreements between the Subscribers and the Company in relation to the advancement of loans by the Subscribers to the Company
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	趙美麗
“Subscriber B”	解江濤
“Subscriber C”	張萍麗
“Subscriber D”	梁梅娟
“Subscriber E”	戎婕
“Subscriber F”	李靜芝
“Subscriber G”	EXCALIBUR GROUP CO., LIMITED
“Subscriber H”	王建忠

“Subscriber I”	梁萬航
“Subscriber J”	馬燕宏
“Subscriber K”	梁娟
“Subscribers”	together Subscriber A, Subscriber B, Subscriber C, Subscriber D, Subscriber E, Subscriber F, Subscriber G, Subscriber H, Subscriber I, Subscriber J and Subscriber K, being the subscribers for the Subscription Shares under the Subscription Agreements
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the eleven conditional subscription agreements dated 22 April 2020 and entered into between the Company and each of the Subscribers respectively in relation to the Subscription
“Subscription Price”	(a) in respect of the Subscription by Subscriber A, Subscriber B, Subscriber E and Subscriber F, the price of HK\$0.019 per Subscription Share; (b) in respect of the Subscription by Subscriber C, Subscriber D, Subscriber G and Subscriber H, the price of HK\$0.021 per Subscription Share; and (c) in respect of the Subscription by Subscriber I, Subscriber J and Subscriber K, the price of HK\$0.0212 per Subscription Share
“Subscription Shares”	an aggregate of 1,264,148,900 new Shares to be issued by the Company pursuant to the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board of
Green Leader Holdings Group Limited
Zhu Zheyu
Chairman

Hong Kong, 22 April 2020

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Zhang Sanhuo

Mr. Tse Michael Nam (*Chief Executive Officer*)

Ms. Zhang Tingting

Non-executive Directors

Ms. Zhu Zheyu (*Chairman*)

Mr. Chang Che-Fa

Independent non-executive Directors

Mr. Lam Chi Wai

Mr. Lyu Guoping

Mr. Jin Xuliang