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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)

PROPOSED CAPITAL REORGANISATION

The Board announces that the Company proposes to effect a Capital Reorganisation by way of:

- (i) a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.199 on each of the issued Existing Shares so that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.001;
- (ii) a subdivision of each authorised but unissued Existing Share of HK\$0.20 into two hundred (200) New Shares of HK\$0.001 each; and
- (iii) a transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reorganisation.

A circular containing, among other matters, information regarding the Capital Reorganisation together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

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- (iii) a transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company.

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 10,000,000,000 Shares, of which 526,260,404 Shares have been allotted and issued and fully paid.

For the avoidance of doubt, the authorised share capital of the Company shall remain HK\$2,000,000,000 prior to and immediately after completion of the Capital Reorganisation.

Upon the Capital Reorganisation becoming effective, after the share subdivision of each authorised but unissued Share of HK\$0.20 into two hundred (200) New Shares of HK\$0.001 each, the authorised share capital will be HK\$2,000,000,000 divided into 2,000,000,000 New Shares of HK\$0.001 each, of which 526,260,404 Shares will be issued New Shares.

The issued New Shares will rank *pari passu* with each other in all respects, including the rights as to dividends, voting and return of capital. Other than the expenses incurred in relation to the Capital Reorganisation, its implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save that any fractional New Shares will not be allocated to individual Shareholders but will be aggregated and sold and, if a premium (net of expenses) can be obtained, such premium will be retained for the benefit of the Company. The Capital Reorganisation itself will not have any material adverse effect on the financial position of the Group.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary ordinary and/or special resolution(s) by the Shareholders at the SGM to approve the Capital Reorganisation;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation; and
- (c) compliance with the relevant procedures and requirements under Bermuda law and the Listing Rules to effect the Capital Reorganisation.

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

Free Exchange of Certificates for New Shares

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Tuesday, 16 March 2021 and until Monday, 26 April 2021 (both dates inclusive), submit their existing certificates for the Shares in brown colour to the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for certificates for the New Shares in Blue colour at the expense of the Company. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each certificate issued for the New Shares or each existing shares certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. After Monday, 26 April 2021, existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates for New Shares at any time but are not acceptable for trading, settlement and registration purposes.

REASONS FOR THE CAPITAL REORGANISATION

The Capital Reorganisation involves the Capital Reduction which reduces the nominal value of the Shares from HK\$0.20 per Share to HK\$0.001 per Share.

Under the laws of Bermuda, a company may not issue shares at a discount to the nominal value of such shares. Accordingly, the Directors propose the Capital Reduction by which the nominal value of the Shares will be reduced which allows greater flexibility in the pricing for any issue of new Shares in the future.

As at the date of this announcement, the Company is considering fundraising opportunities including but not limited to equity fundraising but no agreement, arrangement or understanding on such potential fundraising activities has been reached yet. The Company has no plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

As such, the Directors consider that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

Set out below is the indicative timetable for the Capital Reorganisation.

Despatch of the circular regarding, among other matters, the Capital Reorganisation.	Thursday, 11 February 2021
Publication of the notice of SGM	Thursday, 11 February 2021
Latest time for lodging transfer of the Existing Shares in order to qualify for attending and voting at the SGM.	11:00 a.m. on Monday, 8 March 2021
Register of members of the Company closed.	From Tuesday, 9 March 2021 to Friday, 12 March 2021 (both days inclusive)
Latest time for lodging the form of proxy for the SGM.	11:00 a.m. on Wednesday, 10 March 2021
SGM	11:00 a.m. on Friday, 12 March 2021
Effective date of the Capital Reorganisation	Tuesday, 16 March 2021
First day for free exchange of existing certificates for Existing Shares for new certificates for New Shares	Tuesday, 16 March 2021
Commencement of dealings in New Shares on the Stock Exchange	Tuesday, 16 March 2021
Last day of free exchange of existing certificates for Shares for new certificates for New Shares	Monday, 26 April 2021

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reorganisation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the SGM.

A circular containing, among other matters, information regarding the Capital Reorganisation together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Capital Reduction”	the proposed reduction in the issued share capital of the Company and the proposed subdivision of each authorised but unissued Existing Share of HK\$0.20 into 200 New Shares of HK\$0.001 each as detailed in the section headed “Proposed Capital Reorganisation” of this announcement
“Capital Reorganisation”	the capital reorganisation which involves the Capital Reduction
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Green Leader Holdings Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 0061)

“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company before the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Registrar”	Tricor Tengis Limited, the Hong Kong branch share registrar of the Company
“SGM”	the special general meeting of the Company to be convened and held to consider and, if appropriate, to approve the Capital Reorganisation
“Shareholder(s)”	holder(s) of the issued Shares
“Share(s)”	Existing Share(s) or New Share(s), as the case maybe

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board of
Green Leader Holdings Group Limited
Tse Michael Nam
Chairman

Hong Kong, 1 February 2021

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

Executive Directors

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

Mr. Zhang Sanhuo

Independent non-executive Directors

Mr. Ho Kin Cheong Kelvin

Mr. Shen Weidong

Mr. Tian Hong