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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)

MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made by Green Leader Holdings Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to (i) the announcement (the “**Rule 3.7 Announcement**”) of the Company dated 19 April 2022 pursuant to Rule 3.7 of the Takeovers Code; and (ii) the monthly update announcement (the “**Monthly Update Announcement**”) of the Company dated 19 May 2022. Unless the context otherwise requires, capitalised terms used herein shall have same meanings as those defined in the Rule 3.7 Announcement and the Monthly Update Announcement.

The Company announces that on 17 June 2022, the Company received a notice (the “**Notice**”) of demand from the CB Holder, China Huarong Macau (HK) Investment Holdings Limited, demanding redemption by the Company of all of the Convertible Bonds issued by the Company to the CB Holder on 10 July 2017 in the outstanding principal amount of US\$40,000,000 (the “**Outstanding Principal Amount**”) by repayment of the whole of the Outstanding Principal Amount, together with all unpaid interest accrued thereon (including default interest) and any other amounts due but unpaid under the Convertible Bonds in full (the “**Total Amount Payable**”) to the CB Holder on or before 8 July 2022, failing which the CB Holder will take appropriate actions for enforcement of all or any of its rights under the transaction documents (the “**Transaction Document(s)**”) in relation to the Convertible Bonds (which includes but not limited to the subscription agreement in relation to the subscription of the Convertible Bonds, the terms and conditions of the Convertible Bonds, and the Security Documents (as defined below)) including, but without limitation to, and without further notice: (a) enforcing the security and/or

the guarantee under the Security Documents immediately; (b) issuing a statutory demand against the Company and/or, if appropriate, any parties to a Transaction Document (the “**Obligor**”) in respect of the Total Amount Payable; (c) commencing legal proceedings against the Company and/or any Obligor in respect of the Total Amount Payable and seeking indemnification from the Company in respect of any cost and expenses incurred or to be incurred in connection with exercising any of its rights (including but not limited to the right to the repayment of the Total Amount Payable and/or enforcement of the Security Documents) pursuant to the Transaction Documents; and/or (d) take any or all other action as appropriate.

The following security documents (the “**Security Documents**”) were executed by the Company and its subsidiaries, China OEPC and/or Mr. Zhang in favour of the CB Holder to secure the due performance of the Company’s obligations under the Convertible Bonds:

1. a share charge executed by China OEPC over 91,361,894 Shares (representing approximately 17.36% of the issued share capital of the Company as at the date of this announcement), and a charge executed by China OEPC over the convertible notes owned by China OEPC in the aggregate principal amount of HK\$380,000,000 issued by the Company in 2013, which was set off against the subscription price for the convertible notes in the aggregate principal amount of HK\$380,000,000 issued by the Company to China OEPC in 2018, which in turn was set off against the subscription price for the convertible notes in the principal amount of HK\$380,000,000 issued by the Company to China OEPC in 2020;
2. a personal guarantee executed by Mr. Zhang;
3. a share charge over the Company’s interest in the entire issued share capital of the Sanmu Investment Holdings Limited (三木投資控股有限公司) (together with its subsidiaries, the “**Sanmu Group**”) executed by the Company;
4. a charge over certain account receivables, all present and future book and other debts owing to the Company by a debtor and its subsidiaries (which is a third party independent of and not connected with the Company and its connected persons), including all debts arising out of the sale or other disposal of the goods and/or services supplied by the Company in the course of its business, executed by the Company. As at the date of this announcement, no debts is owed to the Company by such debtor and its subsidiaries and as such, the amount of account receivables subject to the charge is nil; and

5. various share pledges given by certain members of Sanmu Group (namely, Sunshine Agricultural Investment Limited (陽光農業投資有限公司), Sky Rainbow Ventures Limited (天虹創投有限公司), and Sanmu High Tech Agro Research and Development Limited (三木農牧高新科技研發有限公司)) in respect of their respective shareholding interests in other members of the Sanmu Group.

The Company is in the course of seeking legal advice on the matter, and will make further announcement(s) as and when appropriate under the Listing Rules.

The Board wishes to update the Shareholders and potential investors of the Company that, as at the date of this announcement, (a) discussions and negotiations in respect of the terms of the Proposed Restructuring are still in progress; and (b) no legally binding agreements have been entered into in relation to the Proposed Restructuring. The Proposed Restructuring is subject to further negotiations among the Company, the Potential Offeror, Mr. Zhang, the CB Holder and other relevant parties. If the terms of the Proposed Restructuring can be agreed and legally binding agreements can be entered into on or before 8 July 2022, the Company expects that the Notice will not affect the Proposed Restructuring.

Save as disclosed above, there is no other material development in relation to the Proposed Restructuring.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the offer will be made until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

Shareholders, holders of Options and potential investors should be aware that there is no assurance that any transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not lead to the making of any offer (as defined in the Takeovers Code) for the Shares and the Options. Shareholders, holders of Options and potential investors are advised to exercise caution when dealing in the Shares and/or other securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By order of the board of
Green Leader Holdings Group Limited
Mr. Tse Michael Nam
Chairman

Hong Kong, 20 June 2022

As at the date of this announcement, the executive Directors are Mr. Tse Michael Nam (Chairman and Chief Executive Officer) and Mr. Zhang Sanhuo; and the independent non-executive Directors are Mr. Ho Kin Cheong Kelvin, Mr. Shen Weidong and Mr. Tian Hong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.