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GreenLeader
GREEN LEADER HOLDINGS GROUP LIMITED
綠領控股集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 61)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 14 December 2018 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,462,200,000 Placing Shares at the Placing Price of HK\$0.04 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 31 May 2018.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) approximately 20% of the existing issued share capital of the Company of 7,311,032,014 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$58,488,000.

The Placing Price of HK\$0.04 per Placing Share represents a premium of approximately 2.6% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.039 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.035 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$58,488,000 and HK\$57,725,000 respectively. On such basis, the net issue price will be approximately HK\$0.039 per Placing Share.

Since completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that on 14 December 2018 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,462,200,000 Placing Shares at the Placing Price of HK\$0.04 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date

14 December 2018 (after trading hours)

Issuer

The Company

Placing Agent



Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,462,200,000 Placing Shares to independent Placees. The terms of the Placing Agreement, including the placing commission, were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing Commission

The Placing Agent will receive a placing commission of 0.45% of the aggregate amount equivalent to the Placing Price multiplied by the total number of Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Placing.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 1,462,200,000 Placing Shares under the Placing represent (i) approximately 20% of the existing issued share capital of the Company of 7,311,032,014 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$58,488,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon allotment and issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.04 per Placing Share represents a premium of approximately 2.6% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.039 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.035 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing will be approximately HK\$58,488,000 and HK\$57,725,000 respectively. On such basis, the net issue price will be approximately HK\$0.039 per Placing Share.

General Mandate for the allotment and issue of the Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

The Company is authorized to issue up to 1,462,206,402 Shares each under the General Mandate. Up to the date of this announcement, no Share has been issued under the General Mandate. The maximum of 1,462,200,000 Placing Shares to be allotted and issued will utilize approximately 100% of the General Mandate.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares pursuant to the Placing Agreement; and
- (b) all necessary consents and approvals required to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

If the above conditions are not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and be null and void and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breaches of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements) under the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place at 12:00 noon on the third Business Day after the fulfillment of the above conditions or on such other date as the Company and the Placing Agent may agree in writing.

Force majeure

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any local, national, international event or circumstance or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) in relation to the financial, exchange control, political, economic conditions or other nature in Hong Kong which in the reasonable opinion of the Placing Agent would be materially and adversely affect the consummation of the Placing or the business or the financial or trading position or prospects of the Group as a whole; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement and the previously published announcements by the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (6) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (7) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING 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.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$58,488,000 and HK\$57,725,000 respectively.

It is expected that up to HK\$40,000,000 of the net proceeds will be applied towards repayment of indebtedness of the Group and the remaining balance thereof will be utilised towards business development of the Group in Cambodia and general working capital.

The Directors are of the view that the Placing can strengthen the financial position of the Company and provide funding to the Company to meet any future investment opportunities. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.

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

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds (approximate) and intended use of proceeds (approximate)	Actual use of proceeds (approximate)
28 December 2017	Subscription of the second tranche of convertible notes in the principal amount of US\$50,000,000 by China Huarong Macau (HK) Investment Holdings Limited pursuant to the conditional subscription agreement dated 28 December 2017	<p>Completion of the subscription of the second tranche convertible notes has not been completed and therefore no proceeds has been received as at the date of this announcement.</p> <p>The gross and net proceeds of the subscription of the second tranche convertible notes will be US\$50,000,000 and approximately US\$49,800,000 respectively. The Directors intend to apply the net proceeds towards:</p> <ul style="list-style-type: none"> (i) the development of cassava and production of starch of approximately US\$42,500,000, of which <ul style="list-style-type: none"> (a) as to approximately US\$20,500,000 for plantation and development of the business of cassava; (b) as to approximately US\$22,000,000 for capital expenditures for construction of cassava starch processing plants; (ii) approximately US\$2,100,000 towards finance costs; and (iii) general working capital of approximately US\$5,200,000 towards administrative and operating expenses, and other payments. 	Not applicable

Date of announcement	Event	Net proceeds (approximate) and intended use of proceeds (approximate)	Actual use of proceeds (approximate)
1 June 2018	Subscriptions for the convertible notes in the aggregate principal amount of HK\$395,000,000 by China OEPC Limited (“China OEPC”) and Ms. Hao Ting as the subscribers pursuant to the two subscription agreements dated 1 June 2018 respectively	The aggregate subscription price for the convertible notes of HK\$395,000,000 has been set off against the amounts due by the Company to the subscribers under the previous convertible bonds, there was no additional cash or fund injected into the Company upon completion. Completion has taken place on 30 July 2018.	The aggregate subscription price for the convertible notes of HK\$395,000,000 has been set off against the amounts due by the Company to the subscribers under the previous convertible bonds.

Save as disclosed above, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
China OEPC (<i>Note 1</i>)	1,885,859,226	25.795%	1,885,859,226	21.495%
Mr. Tse Michael Nam (<i>Note 2</i>)	153,164	0.002%	153,164	0.002%
Placees	–	–	1,462,200,000	16.667%
Other Shareholders	5,425,019,624	74.203%	5,425,019,624	61.836%
Total:	7,311,032,014	100%	8,773,232,014	100%

Notes:

- China OEPC beneficially owns 1,885,859,226 Shares. China OEPC is wholly owned by Best Growth Enterprises Limited. Best Growth Enterprises Limited is beneficially and wholly owned by Mr. Zhang Sanhuo, the Chairman and an executive Director of the Company.
- Mr. Tse Michael Nam is an executive Director.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company convened on 31 May 2018
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Green Leader Holdings Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) 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”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	9 January 2019 (or such later date as may be agreed by the parties in writing)
“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	KCG Securities Asia Limited, the placing agent and a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 14 December 2018 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.04 per Placing Share
“Placing Shares”	an aggregate of up to 1,462,200,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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
Mr. Zhang Sanhuo
Chairman

Hong Kong, 14 December 2018

As at the date of this announcement, Mr. Zhang Sanhuo 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.