GREEN INTERNATIONAL
Holdings Limited
格林國際控股有限公司

# GREEN INTERNATIONAL HOLDINGS LIMITED
# 格林國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2700)**

## DISCLOSEABLE AND CONNECTED TRANSACTION – DISPOSAL OF THE ENTIRE EQUITY INTEREST IN A SUBSIDIARY

On 1 September 2014, the Vendor and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor, an indirect non-wholly-owned subsidiary of the Company, has conditionally agreed to dispose of 100% equity interest in the Target Company to the Purchaser at the consideration of HK$27,000,000.

After the completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ng owns 15% shareholding in the Vendor and is one of the directors of the Vendor. Mr. Ng is therefore a connected person of the Company at the subsidiary level. Mr. Ng is also ultimately interested in 45% interest in the Purchaser and therefore the Purchaser is an associate of Mr. Ng and a connected person of the Company. Therefore, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) the Board have approved the Disposal and (ii) all the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, the Disposal is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Disposal is only subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## THE EQUITY TRANSFER AGREEMENT

### Date

1 September 2014 (after trading hours)

### Parties to the Equity Transfer Agreement

Vendor: Tai Cheng International Limited, a company incorporated in Hong Kong and an indirect non-wholly-owned subsidiary of the Company. As at the date of this announcement, the Vendor is owned as to 55%, 30% and 15% by the Company, Hong Kong Tai Shing Toys Trading Limited and Mr. Ng respectively. The Vendor is principally engaged in trading of toys.

Purchaser: Tai Heng International Limited, a company incorporated in Hong Kong and principally engaged in trading of toys. As at the date of this announcement, Mr. Ng owns 15% shareholding in the Vendor and is one of the directors of the Vendor. Mr. Ng is therefore a connected person of the Company at the subsidiary level. Mr. Ng is also ultimately interested in 45% interest in the Purchaser and therefore the Purchaser is an associate of Mr. Ng and a connected person of the Company.

### Subject Matter

Pursuant to the Equity Transfer Agreement, (i) the Vendor, an indirect non-wholly-owned subsidiary of the Company, has conditionally agreed to dispose of 100% equity interest in the Target Company to the Purchaser at the consideration of HK$27,000,000.

After the completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated to the consolidated financial statements of the Group.

The following table summarises the shareholding structure of the Target Company before and after the completion of the Disposal:

| | **Before the completion of the Disposal** | | | **After the completion of the Disposal** | | |
|---|---|---|---|---|---|---|
| | **Registered Capital** | **Paid Up Capital** | **Percentage** | **Registered Capital** | **Paid Up Capital** | **Percentage** |
| | *RMB* | *RMB* | *%* | *RMB* | *RMB* | *%* |
| Vendor | 50,000,000 | 23,830,000 | 100 | – | – | – |
| Purchaser | – | – | – | 50,000,000 | 23,830,000 | 100 |

**Consideration**

Pursuant to the Equity Transfer Agreement, the Purchaser shall pay HK$27,000,000 to the Vendor for the acquisition of 100% equity interest in the Target Company.

The Purchaser shall pay part of consideration in the sum of HK$5,000,000 to the Vendor in cash within 5 business days from the date of the Equity Transfer Agreement. The balance of the consideration will be settled in cash within 5 business days after all the conditions precedent of the Equity Transfer Agreement have been satisfied.

The consideration payable by the Purchaser to the Vendor was determined after arm's length negotiation and by reference to independent valuation reports in which the business value of the Target Company was valued to be approximately HK$27,000,000 as at 13 August 2014.

**Conditions precedent of the Equity Transfer Agreement**

Completion of the Equity Transfer Agreement is subject to the fulfillment of the following conditions precedent:

(a) the Vendor and the Purchaser obtaining all requisite approval for the transactions contemplated under the Equity Transfer Agreement;

(b) the Vendor having complied with the necessary requirements and obtained all necessary consents under laws and regulations, contracts or other arrangements and such consent remaining subsisting and valid; and

(c) the completion of all necessary governmental approval in relation to the Disposal and registration procedures relating to the change of the equity interest under the Equity Transfer Agreement.

If the above conditions precedent are not satisfied by 30 November 2014 or such other date as the parties may agree, the Equity Transfer Agreement will become null and void and cease to have any effect whatsoever (save for any antecedent breach and that the Vendor should return the part consideration paid by the Purchaser).

## INFORMATION ON THE GROUP AND THE TARGET COMPANY

The Group is principally engaged in manufacturing and trading of recreational and educational toys and equipment and operation of clubhouse business.

The Target Company is a company registered and established in accordance with the laws of the PRC and is owned as to 100% by the Vendor, which in turn is an indirect non-wholly-owned subsidiary of the Company, as at the date of this announcement. It is principally engaged in design and manufacturing of toys in the PRC.

The following table details certain financial information of the Target Company prepared under the Chinese Accounting Standards for Business Enterprises which is presented in RMB. There are no substantial discrepancies in the net profit/loss, total assets and net assets disclosed in the financial statements prepared under both the Hong Kong Financial Reporting Standards and the Chinese Accounting Standards for Business Enterprises.

| | **Year ended 31 December** | |
|---|---|---|
| | 2012<br>(Audited)<br>*RMB* | 2013<br>(Audited)<br>*RMB* |
| Net profit/(loss) before tax and extraordinary items | 1,560 | (138,869) |
| Net profit/(loss) after tax and before extraordinary items | 1,560 | (138,869) |
| Total assets value | 10,031,560 | 20,092,691 |
| Net assets value | 10,031,560 | 19,692,691 |

**GAIN FROM THE DISPOSAL AND USE OF PROCEEDS**

The Disposal is expected to generate a gain of approximately HK$430,000 to the Group, which is determined on the basis of the difference between the unaudited net assets value of the Target Company as at 30 June 2014, which is approximately HK$26,570,000 and the consideration of the Disposal.

The proceeds from the Disposal will be used as general working capital of the Group.

**REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

As the business development of the Target Company is at an early stage and the Target Company is loss making, the Directors envisage that if the Group continues to retain its interest in the Target Company, the Group still needs to inject significant amount of capital to the Target Company before the Target Company may generate profit. Therefore, the Disposal provides a good opportunity to the Group to realise its investment in the Target Company so that the Group may utilize its fund for other business development and/or investment opportunities which could be beneficial to the interests of the Group and the shareholders as a whole.

Based on the above, the Directors (including all the independent non-executive Directors) are of the view that the Disposal is in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the Equity Transfer Agreement are fair and reasonable, and the entering into of the Equity Transfer Agreement is in the interests of the Company and its shareholders as a whole.

None of the Directors have a material interest in the Equity Transfer Agreement and therefore none of the Directors have abstained from voting on the relevant board resolutions.

## IMPLICATION OF THE LISTING RULES

As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ng owns 15% shareholding in the Vendor and is one of the directors of the Vendor. Mr. Ng is therefore a connected person of the Company at the subsidiary level. Mr. Ng is also ultimately interested in 45% interest in the Purchaser and therefore the Purchaser is an associate of Mr. Ng and a connected person of the Company. Therefore, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) the Board have approved the Disposal and (ii) all the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, the Disposal is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Disposal is only subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## DEFINITIONS

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

| | |
|---|---|
| "associate" | has the meaning ascribed to it in the Listing Rules |
| "Board" | the board of Directors |
| "Company" | Green International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2700) |
| "connected person" | has the meaning ascribed to it in the Listing Rules |
| "Directors" | directors of the Company |
| "Disposal" | the disposal of 100% equity interest in the Target Company by the Vendor pursuant to the Equity Transfer Agreement |
| "Equity Transfer Agreement" | the equity transfer agreement dated 1 September 2014 and entered into between the Vendor and the Purchaser |
| "Group" | the Company and its subsidiaries from time to time |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "Listing Rules" | The Rules Governing the Listing of Securities on the Stock Exchange |
| "Mr. Ng" | Mr. Ng Wing Hong Jimmy, a substantial shareholder and one of the directors of the Vendor and is also ultimately interested in 45% interest in the Purchaser and the sole director of the Purchaser |
| "PRC" | The People's Republic of China |
| "Purchaser" | Tai Heng International Limited, a company incorporated in Hong Kong and a connected person of the Company at the subsidiary level |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "substantial shareholder" | has the meaning ascribed to it in the Listing Rules |
| "Target Company" | 廣西靈山泰晴玩具有限公司, a company established in the PRC which is wholly owned by the Vendor as at the date of this announcement |
| "Vendor" | Tai Cheng International Limited, a company incorporated in Hong Kong and an indirect non-wholly-owned subsidiary of the Company |
| "%" | per cent |

By Order of the Board
**Green International Holdings Limited**
**Yang Wang Jian**
*Chairman*

Hong Kong, 1 September 2014

*As at the date of this announcement, the Board comprises (i) six executive Directors: Dr. Yang Wang Jian, Mr. Wong Man Keung, Ms. Yang Jun, Mr. Chen Hanhong, Ms. Yang Ya and Dr. Yu Qigang; (ii) one non-executive Director: Ms. Yu Jiaoli; and (iii) four independent non-executive Directors: Mr. Yeung King Wah, Kenneth, Mr. Wu Hong, Mr. Low Chin Sin and Mr. Ye Yunhan.*