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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

GREEN INTERNATIONAL HOLDINGS LIMITED

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN RAINBOW STAR GLOBAL LIMITED INVOLVING THE ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 21 November 2014 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the Sale and Purchase Agreement in relation to the acquisition of the entire issued share capital of the Target Company, pursuant to which, subject to the fulfillment of Conditions Precedent, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares, being the entire issued share capital in the Target Company, at a consideration of no more than HK\$217,000,000 (subject to adjustment if the Actual Net Profit of the Operating Group is less than the Profit Guarantee).

Upon the Share Transfer Completion, the Target Company will be owned as to 100% by the Company. Accordingly, the Target Company will therefore become a wholly owned subsidiary of the Company and its financial statements will be consolidated to that of the Company.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirement under the Listing Rules.

The Company will seek approval for, among other things, the Specific Mandate from the Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

GENERAL

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the Convertible Bonds; (iii) details of the Specific Mandate; and (iv) the notice of the EGM together with the proxy form will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules which is expected to be on or before 12 December 2014.

The Board is pleased to announce that on 21 November 2014 (after trading hours of the Stock Exchange), the Company and the Vendors entered into the Sale and Purchase Agreement in relation to the acquisition of the entire issued share capital of the Target Company.

Pursuant to the Sale and Purchase Agreement, subject to the fulfillment of Conditions Precedent, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares, being the entire issued share capital in the Target Company, at a consideration of no more than HK\$217,000,000 (subject to adjustment if the Actual Net Profit of the Operating Group is less than the Profit Guarantee). Details of the Sale and Purchase Agreement are summarised as follows:

THE SALE AND PURCHASE AGREEMENT

Date: 21 November 2014

Parties

Purchaser: the Company

Vendor: the Vendors

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendor, Mr. Chung and Ms. Au are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, subject to the fulfillment of Conditions Precedent, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares, being the entire issued share capital in the Target Company.

Upon completion of the Target Reorganisation, the Target Company holds the entire issued share capital in Health Gold which in turn holds 70% of the equity interest in the Operating Company. The Operating Company holds (i) 99% of the equity interest in the Operating Subsidiary A; and (ii) the entire equity interest in the Operating Subsidiary B. Upon the Share Transfer Completion, the Company will be indirectly interested in 70% of the equity interest in the Operating Company through the Target Company.

Consideration and the method of payment

The Consideration for the Sale Shares is no more than HK\$217,000,000 (subject to adjustment if the Actual Net Profit of the Operating Group is less than the Profit Guarantee). The consideration was determined after arm's length negotiation between the Company and the Vendors having taken into account (i) the Profit Guarantee of the Operating Company for each of the three years ending 31 December 2017 of RMB20,000,000 (equivalent to approximately HK\$25,320,000); (ii) the price-to-earnings ratios of other companies listed in Hong Kong and engaged in similar business of the Target Group; and (iii) the growth potential and prospects of the Target Group. The maximum Consideration of HK\$217,000,000 represents approximately 12.24 price-earnings multiple of the Profit Guarantee (based on approximate exchange rate of RMB1.00:HK\$1.266) as implied by the 70% equity interest in the Operating Company attributable to the Target Company upon the Target Reorganisation which is within the range of prevailing price-earnings multiples of listed companies in Hong Kong which are engaged in the similar business as the Target Group, i.e. the beauty and wellness services business. The price-earnings multiples of such comparable companies ranges from approximately 9.24 times to approximately 28.44 times. The Consideration is subject to adjustment based on a price-earnings multiple of not more than 12.40 times which is to be determined between the Company and the Vendors on the date of the Share Transfer Completion.

Pursuant to the Sale and Purchase Agreement, the Company shall pay a refundable deposit of HK\$10,000,000 to the Vendors or its respective nominees on the date of the Sale and Purchase Agreement, which shall be refunded to the Company in full on the date of the Share Transfer Completion.

The Consideration of HK\$217,000,000 (subject to adjustment if the Actual Net Profit of the Operating Group is less than the Profit Guarantee) shall be payable by the Purchaser to the Vendors in proportional to their respective percentage in the Sale Shares sold by each Vendor in the following manners:

- (i) the Cash Consideration of not more than HK\$54,250,000 on the date of the Share Transfer Completion;
- (ii) the issue of 1st Tranche Convertible Bonds to the Vendors or each of its nominees in the principal amount of not more than HK\$54,250,000 on the date of the Share Transfer Completion;
- (iii) the issue of 2nd Tranche Convertible Bonds to the Vendors or each of its nominees in the principal amount of not more than HK\$54,250,000 on the date of the first anniversary of the issue of the 1st Tranche Convertible Bonds; and
- (iv) the issue of 3rd Tranche Convertible Bonds to the Vendors or each of its nominees in the principal amount of not more than HK\$54,250,000 on the date of the first anniversary of the issue of the 2nd Tranche Convertible Bonds.

Profit Guarantee

The Vendors have undertaken that the Actual Net Profit of the Operating Company for each of the three years ending 31 December 2017 shall not be less than the respective Profit Guarantee, being RMB20,000,000 (equivalent to approximately HK\$25,320,000). In the event that the Actual Net Profit for three years ending 31 December 2015, 2016 and 2017 is less than the RMB20,000,000, the Company shall have the right to redeem and cancel in whole or part of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds respectively at HK\$1 based on the following formula:

In respect of the 1st Tranche Convertible Bonds:

$$\text{2015 Cancellation Amount} = \left(1 - \frac{\text{the 2015 Actual Net Profit}}{\text{the 2015 Profit Guarantee}}\right) \times \text{Principal amount of 1st Tranche Convertible Bonds}$$

In respect of the 2nd Tranche Convertible Bonds:

$$\text{2016 Cancellation Amount} = \left(1 - \frac{\text{the 2016 Actual Net Profit}}{\text{the 2016 Profit Guarantee}}\right) \times \text{Principal amount of 2nd Tranche Convertible Bonds}$$

In respect of the 3rd Tranche Convertible Bonds:

$$\text{2017 Cancellation Amount} = \left(1 - \frac{\text{the 2017 Actual Net Profit}}{\text{the 2017 Profit Guarantee}}\right) \times \text{Principal amount of 3rd Tranche Convertible Bonds}$$

For the avoidance of doubt, if there is a consolidated net loss after tax for the Operating Company for each of the three years ending 31 December 2017, the respective Actual Net Profit shall be deemed as zero and the respective maximum Cancellation Amount would be the principal amount of such Convertible Bonds of HK\$54,250,000. In such case, the respective whole Convertible Bonds can be redeemed and cancelled at HK\$1 at the discretion of the Company.

In the event that the Actual Net Profit for each of the three years ending 31 December 2017 is less than RMB20,000,000, in addition to the aforesaid redemption and cancellation of the relevant Convertible Bonds at HK\$1, the Company shall have the right to request the Vendors for cash compensation in the total maximum amount equivalent to the Cash Consideration, being HK\$54,250,000, during the three years ending 31 December 2017.

For the avoidance of doubt, no upward adjustments will be made on the Consideration even if each of the Actual Net Profit exceeds the respective Profit Guarantee.

The Profit Guarantee was arrived at after arm's length negotiation between the Company and the Vendors with reference to the business prospects and business development of the Target Group, further details of which are set out in the paragraphs under the section headed "Reasons for and benefits of the entering into of the Sale and Purchase Agreement" below, and the Directors consider that the guaranteed amount under the Profit Guarantee is fair and reasonable.

The Profit Guarantee made by the Vendors does not represent the anticipated level of future profit of the Operating Company and does not constitute a profit forecast under Rule 14.61 of the Listing Rules.

Principal terms of the Convertible Bonds

The principal terms of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds are summarized below:

- Principal amount:
- 1st Tranche Convertible Bonds – HK\$54,250,000
 - 2nd Tranche Convertible Bonds – HK\$54,250,000
 - 3rd Tranche Convertible Bonds – HK\$54,250,000
- Maturity date:
- The date being the third anniversary of the respective Issue Date of the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds respectively (the “Maturity Date”)
- Interest:
- The 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds will not bear any interest for their respective first calendar year from their respective Issue Date of the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds respectively.
- The interest rate of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds after their respective first calendar year from their respective Issue Date of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds is 2% per annum till their respective Maturity Date of the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds respectively. The interest shall be payable on their respective Maturity Date of the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds respectively.
- Conversion Price:
- HK\$0.50 per 1st Tranche Conversion Share, 2nd Tranche Conversion Share and 3rd Tranche Conversion Share, which is subject to adjustments for, among other matters, consolidation, subdivision or reclassification, capitalisation of profits or reserves, capital distribution, rights issues of Shares or options over Shares, rights issues of other securities.
- The Conversion Price:
- represents a discount of 32.00% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on the Last Trading Day;

- represents a discount of 24.40% to the average closing price of HK\$0.622 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- represents a discount of 13.40% to the average closing price of HK\$0.567 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- represents a discount of 1.20% to the average closing price of HK\$0.506 per Share as quoted on the Stock Exchange for the last thirty trading days up to and including the Last Trading Day.

The Conversion Price was determined after arm's length negotiations between the Purchaser and the Vendors with reference to the prevailing market price of the Shares.

Redemption:

The Company shall have the right to redeem the 1st Tranche Convertible Bonds, 2nd Tranche Convertible Bonds and 3rd Tranche Convertible Bonds (in part or in whole) at the Conversion Price during the period commencing from the first Business Day immediately after their respective Issue Date of the 1st Tranche Convertible Bonds, 2nd Tranche Convertible Bonds and 3rd Tranche Convertible Bonds respectively, ending on the Business Day immediately before their respective Maturity Date.

Unless previously redeemed, converted, repurchased or cancelled as provided herein, the Company shall redeem each of the 1st Tranche Convertible Bonds, 2nd Tranche Convertible Bonds and 3rd Tranche Convertible Bonds on their respective Maturity Date then outstanding at a value equal to the respective principal amounts of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds by issuing Shares to the holder of the Convertible Bonds at the Conversion Price of HK\$0.50 per Conversion Share, subject to adjustment provided in the Convertible Bonds or by cash together with the interest accrued thereon.

All Convertible Bonds which are redeemed or converted by the Company will forthwith be cancelled and such Convertible Bonds may not be reissued or resold.

- Conversion period: In respect of the conversion by the holder of the Convertible Bonds, the period commencing from the date being the latter of (a) the first anniversary of their respective Issue Date of the 1st Tranche Convertible Bonds, 2nd Tranche Convertible Bonds and 3rd Tranche Convertible Bonds; and (b) the Company having exercised its rights in respect of the redemption and cancellation of the Convertible Bonds as set out in the paragraphs under the section headed “Profit Guarantee” above, and ending on their respective Maturity Date
- Conversion: Each holder of the Convertible Bonds shall have the right to exercise at any time during the respective conversion period of the 1st Tranche Convertible Bonds, 2nd Tranche Convertible Bonds and 3rd Tranche Convertible Bonds to convert the whole or any part representing at least HK\$1,000,000 of the outstanding principal amount of such Convertible Bonds held by such holder into such number of Conversion Shares calculated for each conversion to be the greatest number of Shares, disregarding fractions, obtainable by dividing the aggregate principal amount of such Convertible Bonds to be converted by the Conversion Price in effect on the date of such conversion, by giving notice (such notice, once given, may not be withdrawn without the consent in writing of the Directors). The holder of the Convertible Bonds or the Company shall not convert the Convertible Bonds which will cause the Company to be unable to meet the public float requirements as required under Rule 8.08 of the Listing Rules, or will result in a change of control (as defined in the Codes on Takeovers and Mergers and Share Repurchases) in the Company.
- Transferability: The 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds (or any part thereof) may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company. Without prejudice to the aforesaid any assignment and/or transfer of the 1st Tranche Convertible Bonds and/or the 2nd Tranche Convertible Bonds and/or the 3rd Convertible Bonds is subject to (i) compliance under the Listing Rules for so long as the Shares are listed on the Stock Exchange (and the rules of any other stock exchange on which the Shares may be listed at the relevant time) and all applicable laws and regulations; and (ii) the approval of the Shareholders in a general meeting if so required under, and in compliance with, the Listing Rules if such assignment and/or transfer is proposed to be made to a connected person of the Company.
- Voting Rights: The Convertible Bonds shall not confer any voting rights at any meetings of the Company.

Ranking of the Convertible Bonds: The obligations of the Company arising under the Convertible Bonds will constitute unsubordinated, direct, unconditional and unsecured obligations of the Company and shall at all times rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

Ranking of the Conversion Shares: The Conversion Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares except that they shall not be entitled to receive any dividend, distribution or entitlement declared, paid or made by reference to a record date prior to the relevant Conversion Date.

Upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds in full, the Company will allot and issue 108,500,000 1st Tranche Conversion Shares, 108,500,000 2nd Tranche Conversion Shares and 108,500,000 3rd Tranche Conversion Shares, which in aggregate represent (i) approximately 18.74% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.78% of the issued share capital of the Company as enlarged by the issue of the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and the 3rd Tranche Conversion Shares upon the exercise of the conversion rights attached to the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds in full (assuming no further Shares will be allotted and issued prior to such conversion). The aggregate nominal value of the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and 3rd Tranche Conversion Shares will be HK\$3,255,000.

Application for listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and the 3rd Tranche Conversion Shares

Conditions Precedent to the Sale and Purchase Agreement

Completion is subject to the fulfillment and/or waiver of the following conditions:

- (i) the Company having obtained the Board's approvals for the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder, and the Shareholders' approvals at the EGM for granting the Specific Mandate to the Board for the issue of Convertible Bonds and the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds;
- (ii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Conversion Shares;

- (iii) the Vendors, Target Company and its subsidiaries having obtained all requisite consents, authorisations and approvals (or, as the case maybe, the relevant waiver) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement;
- (iv) the Company having completed, and to its satisfaction with the results of, the due diligence review conducted on the Target Company and its subsidiaries regarding, including but not limited to the affairs, assets, liabilities, operations, records, financial condition, asset values, accounts, business performance, legal and financial structures;
- (v) completion of the amendments to the articles of association of the Target Company and its subsidiaries for the purpose of the transfer of Sale Shares as requested by the Company;
- (vi) no significant adverse changes having been occurred to the status of the Target Company and its subsidiaries including their business operations and financial conditions, nor any undistributed profits having been taken place;
- (vii) the Target Company and its subsidiaries having not created or permitted to create any rights nor encumbrances over any assets nor properties, or having not disposed of each of its major assets directly or indirectly in any forms, or having not incurred or obliged to any significant liabilities (excluding the disposals and liability obligations arisen from the usual and ordinary course of business);
- (viii) the undertaking and guarantee from the Vendors, the Target Company and its subsidiaries, on all information (including communication media such as texts, material objects, symbols, verbal dictations and videos, etc.) provided to the Company and its authorised representatives are true, accurate and complete, and not misleading in any respect;
- (ix) completion of the Target Reorganisation by the Vendors, and such Target Reorganisation is sufficient to ensure that the Target Company will obtain a clear and complete ownership of beneficial interests including but not limited to the rights to possess, use, usufruct and dispose of;
- (x) the Company having completed, and to its satisfaction with the results of, the PRC legal advice issued by its designated law firm on the Target Company in relation to the compliance of the business operations and contractual arrangements of the Target Company and its subsidiaries with the PRC laws, rules, regulations, the legal force of the transfers of the Sale Shares and the underlying asset, and the full disclosure of the litigation and/or potential litigation on the Target Company and its subsidiaries claimed by their respective suppliers, customers and other stakeholders; and
- (xi) the Vendors having completed the commercial arrangements of the Target Company and its subsidiaries including but not limited to asset transfer, trademark rights, debt repayment and litigation liability in accordance with the relevant Chinese legal advice and the results of due diligence review conducted by the Company in relation to conditions precedent (iv) and (x) above; and

Save for conditions precedent (i) and (ii) as stated above, the Company may, at its discretion, waive the compliance with any of the remaining parts of the above conditions precedent.

If any of the conditions precedent above is not fulfilled (or waived by the Company, as the case may be) on the following Business Day after six months from the date of the Sale and Purchase Agreement, the Sale and Purchase Agreement will lapse and be of no further effect and no party to the Sale and Purchase Agreement shall have any claim, liability or obligation against to the other party (save for any antecedent breaches of the Sale and Purchase Agreement). The Vendors shall return the deposit of HK\$10,000,000 to the Company within five Business Days after the date of termination of the Sale and Purchase Agreement.

Completion

The Vendors shall complete the due registration of the Sale Shares to the Company within 45 Business Days, being the date of the Share Transfer Completion, upon the fulfillment of all conditions precedent to the Sale and Purchase Agreement.

The Company will be indirectly interested in 70% of the equity interest in the Operating Company through the Target Company as at the date of the Share Transfer Completion.

INFORMATION ABOUT THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. Upon completion of the Target Reorganisation, it holds the entire issued share capital of Health Gold, which is an investment holding company incorporated in Hong Kong with limited liability. Health Gold in turn holds 70% of the equity interest in the Operating Company. The Operating Company holds (i) 99% of the equity interest in the Operating Subsidiary A; and (ii) the entire equity interest in the Operating Subsidiary B.

The Target Group, through the Operating Group is principally engaged in the operation of beauty and wellness shops, medical licensed beauty center and the cooperation with clubhouses for the provision of beauty and wellness related services in Shenzhen, the PRC. The Target Group is licensed to operate one medical licensed beauty center, which provides medical beauty services, including medical hairdressing, oral administration, anti-aging and cosmetic surgery to the customers. In addition, the Target Group operates five beauty and wellness shops, and cooperating with five clubhouses on a profit-sharing basis, in providing the full range of high quality beauty and wellness related services. Other related businesses include development and research of skin care and beauty products, and health care nutritional supplements.

Set out below is the unaudited consolidated financial information of the Target Group (assuming the Target Reorganisation having been completed) for the two years ended 31 December 2012 and 31 December 2013 and for the six months ended 30 June 2014 prepared in accordance with HKFRS:

	For the year ended 31 December 2012 RMB'000	For the year ended 31 December 2013 RMB'000	For the six months ended 30 June 2014 RMB'000
Turnover	22,518	23,597	12,986
Net profit/(loss) before tax	(2,686)	(628)	3,006
Net profit/(loss) after tax	(2,686)	(628)	3,006

As at 30 June 2014, the unaudited consolidated net assets attributable to the shareholder of the Target Group (assuming the Target Reorganisation having been completed) amounted to approximately RMB7,127,000 (equivalent to approximately HK\$9,023,000).

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT

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

The Group is seeking to expand its business scope and scale through acquisitions in Hong Kong and the PRC. Subsequent to completion of the acquisition of clubhouse business in January 2014, where “Health and Wellness” will be the principal theme of the clubhouse, the Group is actively exploring opportunities to venture into other beauty or wellness related businesses in order to broaden its assets and revenue base.

According to the 《「十二五」期間促進美容美髮業規範發展的指導意見》 (the Guidance Opinion for the Development of the Beauty and Hair Service Industry during the “Twelfth Five-Year” period*, the “Beauty Service Industry Twelfth Five-Year Guidance”) published by Department of Trade in Services and Commercial Services of the Ministry of Commerce of the PRC on 16 November 2011, total turnover of beauty and hair shops exceeded RMB370 billion as at the end of 2010, and is targeted to grow by 15% annually to over RMB770 billion in 2015. The Beauty Service Industry Twelfth Five-Year Guidance aims to promote the industry during the “Twelfth Five-Year”, i.e. 2011 to 2015, to cater for the increasing nationwide demand for beauty services, alongside development of major cities and rising spending power of city dwellers. Shenzhen, as one of the most developed cities in the PRC with GDP reaching RMB1,295 billion in 2012, just ranked behind Shanghai and Tianjin, is one of the primary markets of the domestic beauty service industry with promising potential.

Considering that the Operating Group is one of the well-established beauty and wellness service chains with a large customer base and has been enjoying good brand name in Shenzhen, the Board is of the view that the extensive client base of the Target Group will become a valuable asset of the enlarged Group after the Share Transfer Completion and synergy effect is expected to be created on the respective businesses of the Group and the Target Group. Upon the Share Transfer Completion, the senior management of the Group who are experienced in health and wellness, will work with the existing management of the Target Group on developing the existing business of the Target Group.

Taking into account that (i) the optimistic prospects of the beauty and wellness service industry in the PRC; (ii) the Acquisition is in line with the Group's future development plan; (iii) the possible synergistic effects brought by the Acquisition with the Company's existing clubhouse business; and (iv) the Vendors have guaranteed the Profit Guarantee with unlimited upside potential contribution to the Group, the Directors are of the view that the terms of the Sale and Purchase Agreement including the Consideration, the issue of Convertible Bonds and the Conversion Price are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and the changes thereto as a result of (i) the allotment and issue of the 1st Tranche Conversion Shares upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds at the conversion price of HK\$0.50 in full; (ii) the allotment and issue of the 1st Tranche Conversion Shares and the 2nd Tranche Conversion Shares upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds at the conversion price of HK\$0.50, respectively, in full; (iii) the allotment and issue of the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and the 3rd Tranche Conversion Shares assuming conversion of the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds, assuming that there is no other change in the issued share capital of the Company from the date of this announcement other than as stated in each scenario.

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the 1st Tranche Conversion Shares upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds at the conversion price of HK\$0.50 in full		Immediately after the allotment and issue of the Consideration Shares, the 1st Tranche Conversion Shares and the 2nd Tranche Conversion Shares upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds and the 2nd Tranche Convertible Bonds at the conversion price of HK\$0.50, respectively, in full		Immediately after the allotment and issue of the Consideration Shares, the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and the 3rd Tranche Conversion Shares upon exercise of the conversion rights attached to the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds at the conversion price of HK\$0.50, respectively, in full	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Gold Bless International Invest Limited (<i>Note</i>)	953,186,000	54.86	953,186,000	51.64	953,186,000	48.77	953,186,000	46.21
The Vendors								
– Mr. Chung	–	–	75,950,000	4.11	151,900,000	7.77	227,850,000	11.05
– Ms. Au	–	–	32,550,000	1.76	65,100,000	3.33	97,650,000	4.73
Other public shareholders	784,196,841	45.14	784,196,841	42.49	784,196,841	40.13	784,196,841	38.01
Total	1,737,382,841	100.00	1,845,882,841	100.00	1,954,382,841	100.00	2,062,882,841	100.00

Note:

The Shares are beneficially owned by Gold Bless International Invest Limited, a company of which 85% and 15% of its share capital are owned by Dr. Yang Wang Jian, an executive Director and chairman of the Board, and Dr. Yu Qigang, an executive Director, respectively.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirement under the Listing Rules.

The Company will seek approval for, among other things, the Specific Mandate from the Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

GENERAL

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the Convertible Bonds; (iii) details of the Specific Mandate; and (iv) the notice of the EGM together with the proxy form will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules which is expected to be on or before 12 December 2014.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“1st Tranche Convertible Bonds”	the convertible bonds in the principal amount of not more than HK\$54,250,000 to be issued by the Company to the Vendors or its respective nominee on the date of the Share Transfer Completion for the partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement
“1st Tranche Conversion Shares”	the 108,500,000 new Shares falling to be issued and allotted upon exercise of the conversion rights in full attached to the 1st Tranche Convertible Bonds at the conversion price of HK\$0.50 (subject to adjustment)
“2nd Tranche Convertible Bonds”	the convertible bonds in the principal amount of not more than HK\$54,250,000 to be issued by the Company to the Vendors or its respective nominee on the date of the first anniversary of the issue of the 1st Tranche Convertible Bonds for the partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement
“2nd Tranche Conversion Shares”	the 108,500,000 new Shares falling to be issued and allotted upon exercise of the conversion rights in full attached to the 2nd Tranche Convertible Bonds at the conversion price of HK\$0.50 (subject to adjustment)
“2015 Actual Net Profit”	the audited consolidated net profit after tax of the Operating Company audited by the auditors appointed by the Company in accordance with HKFRS for the year ending 31 December 2015
“2015 Cancellation Amount”	the principal amount of the 1st Tranche Convertible Bonds to be redeemed and cancelled by the Company in accordance with the Sale and Purchase Agreement
“2015 Profit Guarantee”	the guarantee by the Vendors of the audited consolidated net profit after tax of the Operating Company in accordance with the HKFRS for the year ending 31 December 2015 of RMB20,000,000 (equivalent to approximately HK\$25,320,000)
“2016 Actual Net Profit”	the audited consolidated net profit after tax of the Operating Company audited by the auditors appointed by the Company in accordance with HKFRS for the year ending 31 December 2016

“2016 Cancellation Amount”	the principal amount of the 2nd Tranche Convertible Bonds to be redeemed and cancelled by the Company in accordance with the Sale and Purchase Agreement
“2016 Profit Guarantee”	the guarantee by the Vendors of the audited consolidated net profit after tax of the Operating Company in accordance with the HKFRS for the year ending 31 December 2016 of RMB20,000,000 (equivalent to approximately HK\$25,320,000)
“2017 Actual Net Profit”	the audited consolidated net profit after tax of the Operating Company audited by the auditors appointed by the Company in accordance with HKFRS for the year ending 31 December 2017
“2017 Cancellation Amount”	the principal amount of the 3rd Tranche Convertible Bonds to be redeemed and cancelled by the Company in accordance with the Sale and Purchase Agreement
“2017 Profit Guarantee”	the guarantee by the Vendors of the audited consolidated net profit after tax of the Operating Company in accordance with the HKFRS for the year ending 31 December 2017 of RMB20,000,000 (equivalent to approximately HK\$25,320,000)
“3rd Tranche Convertible Bonds”	the convertible bonds in the principal amount of not more than HK\$54,250,000 to be issued by the Company to the Vendors or its respective nominee on the date of the first anniversary of the issue of the 2nd Tranche Convertible Bonds for the partial settlement of the Consideration pursuant to the terms of the Sale and Purchase Agreement
“3rd Tranche Conversion Shares”	the 108,500,000 new Shares falling to be issued and allotted upon exercise of the conversion rights in full attached to the 3rd Tranche Convertible Bonds at the conversion price of HK\$0.50 (subject to adjustment)
“Acquisition”	the proposed acquisition of the Sale Shares by the Company from the Vendors pursuant to the Sale and Purchase Agreement
“Actual Net Profit”	2015 Actual Net Profit, 2016 Actual Net Profit and 2017 Actual Net Profit, as the case may be
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday in Hong Kong on which licensed banks in Hong Kong are open for business

“Cancellation Amount”	2015 Cancellation Amount, 2016 Cancellation Amount and 2017 Cancellation Amount, as the case may be
“Cash Consideration”	the cash consideration of HK\$54,250,000 which shall be payable by the Company to the Vendors for the partial settlement for the Sale Shares of the Consideration
“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)
“Conditions Precedent”	the conditions precedent to the Sale and Purchase Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the maximum aggregate consideration of HK\$217,000,000 (subject to adjustments) which shall be payable by the Company to the Vendors for the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Conversion Price”	the conversion price of HK\$0.50 per Conversion Share
“Conversion Share”	the 1st Tranche Conversion Shares, the 2nd Tranche Conversion Shares and the 3rd Tranche Conversion Shares, as the case may be
“Convertible Bonds”	the 1st Tranche Convertible Bonds, the 2nd Tranche Convertible Bonds and the 3rd Tranche Convertible Bonds, as the case may be
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the Specific Mandate
“Group”	the Company and its subsidiaries
“Health Gold”	Health Gold Holdings Limited, a company incorporated in Hong Kong, which owns 70% of the equity interest in the Operating Company upon completion of the Target Reorganisation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKFRS”	Hong Kong Financial Reporting Standards

“Issue Date”	as to the 1st Tranche Convertible Bonds, the date of the Share Transfer Completion; as to the 2nd Tranche Convertible Bonds, the date of the first anniversary of the issue of the 1st Tranche Convertible Bonds; as to the 3rd Tranche Convertible Bonds, the date of the first anniversary of the issue of the 2nd Tranche Convertible Bonds
“Last Trading Day”	21 November 2014, being the last trading date on which the Shares were traded on the Stock Exchange pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Mr. Chung”	Mr. Chung Sum Sang
“Ms. Au”	Ms. Eva Au
“Operating Company”	深圳市瑪莎嘉兒連鎖實業有限公司 (Shen Zhen Marsa Guer Chain Enterprise Ltd.), a company established in the PRC with limited liability
“Operating Group”	collectively the Operating Company, Operating Subsidiary A and Operating Subsidiary B
“Operating Subsidiary A”	深圳市瑪莎康盈生物科技有限公司 (Shenzhen Marsa Kangying Biotechnology Company Limited*), a company established in the PRC with limited liability
“Operating Subsidiary B”	深圳市瑪莎麗之莎諮詢管理有限公司 (Shenzhen Marsa Beauty Consultancy Management Company Limited*), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Profit Guarantee”	2015 Profit Guarantee, 2016 Profit Guarantee and 2017 Profit Guarantee, as the case may be
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 November 2014 entered into between the Company and the Vendors in relation to the Acquisition

“Sale Shares”	the entire issued share capital of the Target Company to be sold to the Company pursuant to the terms of the Sale and Purchase Agreement
“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)
“Share Transfer Completion”	completion of the due registration of Sale Shares under the Company in accordance with the terms of the Sale and Purchase Agreement
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM in relation to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Rainbow Star Global Limited, a company incorporated in the British Virgin Islands and owned as to 70% and 30% by Mr. Chung and Ms. Au respectively
“Target Group”	Target Company and its subsidiaries upon completion of the Target Reorganisation
“Target Reorganisation”	the reorganization of the Target Group in accordance with the terms of the Sale and Purchase Agreement
“Vendors	collectively, Mr. Chung and Ms. Au
“%”	per cent.

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

Hong Kong, 21 November 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.

For the purpose of this announcement, unless otherwise stated, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 against HK\$1.266. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.