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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

This announcement is made by Green International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company is pleased to announce that on 16 December 2014 (after trading hours), Green Capital (Hong Kong) Limited (“**Green Capital**”, a wholly-owned subsidiary of the Company), and Hong Kong E&R-PRO Company Limited (the “**Vendor**”) entered into the memorandum of understanding (the “**MOU**”), which is non-legally binding, in respect of the possible acquisition (the “**Possible Acquisition**”) of a minimum of 51% and a maximum of 100% of equity interest (the “**Sale Interests**”) in Hong Kong E&R-PRO Assets Management Limited (the “**Target Company**”).

The Target Company is a company incorporated in Hong Kong with limited liability and will be principally engaged in the trading of commodities including oil products, petrochemicals and metals. The entire issued share capital of the Target Company is wholly owned by the Vendor, which is wholly owned by 上海市振戎石油有限公司 (Shanghai Zhenrong Petroleum Company Limited*, “**Shanghai Zhenrong**”). Shanghai Zhenrong is principally engaged in the business including but not limited to the trading of oil products, petrochemicals and metals.

As at the date of this announcement, the Vendor holds the convertible bonds of the Company with the principal amount of HK\$50,000,000, which is convertible into a total of 116,279,069 new shares (the “**Shares**”) of the Company at the conversion price of HK\$0.43 per Share upon exercise of the conversion rights attached thereof, representing approximately 6.69% of the total existing issued share capital of the Company and approximately 6.27% of the issued share capital of the Company as enlarged by the issue of such new Shares. Save for the aforesaid, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the MOU, the consideration of the Possible Acquisition is to be determined with reference to (i) the profit guarantee of the Target Company for the first three financial years following completion of the Possible Acquisition as given by the Vendor; (ii) the business prospect of the Target Company; and/or (iii) valuation of the Target Company by an independent valuer. The consideration of the Possible Acquisition shall be satisfied by any or a combination of cash payment and/or issue of convertible bonds carrying the rights to convert into new Shares. The amount and the form of the consideration once agreed will be reflected in the formal sale and purchase agreement for the Possible Acquisition.

The MOU shall remain in effect for a term of 12 months from the date of the MOU (the “**Term**”). The Vendor also agreed that, inter alia, it shall not engage in any discussion, negotiation or arrangement or enter into any agreement in relation to the Possible Acquisition and/or disposal of any of the Target Company with any other party during the Term (the “**Exclusivity Period**”), and the Exclusivity Period may be extended upon written agreement of Green Capital and the Vendor.

If no formal agreement in relation to the Possible Acquisition is entered into between Green Capital and the Vendor within the Exclusivity Period, the MOU shall be terminated on the expiry date of the Exclusivity Period.

Save for the terms in relation to the Exclusivity Period, confidentiality, termination and governing laws contained in the MOU, the MOU is not legally binding or enforceable. The final terms, including but not limited to the consideration for the Possible Acquisition, have yet to be determined and finalized.

REASONS FOR ENTERING INTO OF THE MOU

In order to seek for more business opportunities and to maximise return to the Company and the shareholders of the Company in the long run, the Directors consider that it was in the interest of the Company and its shareholders as a whole to enter into the MOU to explore the possibility of diversification of the business of the Company and its subsidiaries.

GENERAL

If the Possible Acquisition materializes, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should any formal sale and purchase agreement be entered into as and when appropriate in accordance with the Listing Rules.

The Board wishes to emphasize that the Possible Acquisition is subject to the signing of a formal agreement for the sale and purchase of the Sale Interests, the terms and conditions of which are yet to be agreed. As the Possible Acquisition may or may not proceed, shareholders of the Company and potential investors are urged to exercise caution when dealing in the Shares.

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

Hong Kong, 16 December 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 identification purposes only*