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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)

**PLACING OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

PLACING AGENT



ASA SECURITIES LIMITED

On 29 December 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed with the Company to place, on a best effort basis, the Convertible Bonds up to a total principal amount of HK\$114,000,000 convertible into Conversion Shares of the Company to the Placees who are independent third parties (as defined under the Listing Rules) at the Issue Price which shall be 100% of the principal amount of the Convertible Bonds. Assuming the Convertible Bonds are fully placed, upon full conversion of the Convertible Bonds at the Conversion Price, a maximum of 253,333,333 Conversion Shares will be issued, representing 14.58% of the existing issued share capital of the Company and approximately 12.73% of the Company's issued share capital as enlarged by the issue of the Conversion Shares. Since the Conversion Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

The Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares, and the Placing Agreement not having been terminated in accordance with its terms. If the foregoing conditions are not fulfilled within 2 months after the date of the Placing Agreement (or such later date as agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other save for any antecedent breach of the Placing Agreement.

The gross proceeds and net proceeds from the Placing will be approximately HK\$114,000,000 and HK\$110,500,000 respectively. The net proceeds are intended to be used (1) for a possible acquisition in relation to Hong Kong E&R-PRO Assets Management Limited (details of the possible acquisition have been provided in the Company's announcement dated 16 December 2014); and (2) to be used as working capital of the Group, details of which are set out in the section headed "Reasons for and Benefits of the Placing and Use of Proceeds" of this announcement.

Shareholders and potential investors should note that the Completion of the Placing is subject to the fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing the Shares.

On 29 December 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agreed to procure not less than six Placees to subscribe for the Convertible Bonds up to a total principal amount of HK\$114,000,000 on a best efforts basis.

THE PLACING AGREEMENT

The following summarises the principal terms of the Placing Agreement:

Date: 29 December 2014 (after trading hours)

Issuer: The Company

Placing Agent: ASA Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its Associates are independent third parties

Conditions Precedent: (1) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Conversion Shares; and
(2) the Placing Agreement not having been terminated in accordance with its terms.

Placing Period: The period commencing on the execution of the Placing Agreement and terminating at 5:00 p.m. (Hong Kong time) on the Longstop Date

Placee(s): Any professional institutional or other investor independent of and not connected with the Company, the Directors, the chief executives of the Company, substantial Shareholders and management Shareholders (as defined in the Listing Rules), their subsidiaries and their respective Associates (as defined in the Listing Rules) procured by or on behalf of the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agent's obligations under the Placing Agreement

- Placing Price:** The placing price, or the Issue Price, of the Convertible Bonds shall be 100% of the principal amount of the Convertible Bonds
- General Mandate:** The Conversion Shares to be allotted and issued upon the conversion of the Convertible Bonds shall be allotted and issued under the General Mandate granted to the Directors pursuant to the resolution passed by the Shareholders of the Company at the annual general meeting on 13 June 2014 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the resolution (such issued share capital being HK\$12,710,637.24 divided into 1,271,063,724 shares of HK\$0.01 each). The maximum of 253,333,333 Conversion Shares to be allotted on conversion of the Convertible Bonds will substantially utilize the General Mandate
- Completion Date:** The Completion shall take place within four Business Days after the day on which the conditions precedent to the Placing are fulfilled or such later date as the Company and the Placing Agent may agree
- Placing Commission:** The Company shall pay to the Placing Agent a placing commission of 3% of the aggregate amount of the Issue Price multiplied by the actual number of the Convertible Bonds placed by the Placing Agent
- Termination:** The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 10:00 a.m. (Hong Kong time) on the Completion Date if any of the following develops, occurs or comes into force:
- (1) There shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained herein or any failure to perform any of the Company's undertakings in the Placing Agreement;
 - (2) Any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

- (3) Any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (4) Any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange;
- (5) Any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 15 consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or other documents in connection with the subscription contemplated hereunder; or
- (6) Any breach of any of the Warranties or Undertakings coming to the knowledge of the Placing Agent

and that the right to terminate the Placing Agreement under paragraphs (1) to (6) above shall be a separate and independent right and that the exercise of any such right by the Placing Agent shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Placing Agent may have as at the date of such notice nor shall termination of this Placing Agreement affect or prejudice any provision therein expressed to survive or operate in the event of termination of the Placing Agreement.

In the event that the Placing Agent terminate the Placing Agreement in accordance with the above terms, all obligations of each of the parties under the Placing Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The following summarises the principal terms of the Convertible Bonds:

Aggregate Principal Amount:	Up to HK\$114,000,000
Denomination for Issue:	HK\$500,000
Maturity Date:	the date falling on the third anniversary of the day on which the Convertible Bonds are issued (the “ Maturity Date ”)
Conversion Period:	the period commencing from the date of issue of the Convertible Bonds and ending on the Maturity Date, both dates inclusive
Conversion Price:	the Conversion Price was arrived at after arm’s length negotiation between the Company and the Placing Agent, and initially set at HK\$0.45 per Conversion Share, subject to adjustments in certain events, including share consolidation, share subdivision, reclassification, capitalization of profits or reserves, capital distribution, rights issues, modification of rights of conversion by the Company

The Conversion Price of HK\$0.45 per Conversion Share represents:

- (1) a discount of approximately 10.00% to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on 29 December 2014, being the date of the Placing Agreement;
- (2) a discount of approximately 10.18% to the average closing price of approximately HK\$0.501 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Placing Agreement; and
- (3) a discount of approximately 11.76% to the average closing price of approximately HK\$0.51 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Placing Agreement.

The Conversion Price was determined after arm’s length negotiations between the Company and the Placing Agent after considering the current market sentiment, liquidity flow in the capital market and the historical Share prices.

- Interest Rate: Three (3) per cent per annum
- Transferability: The Convertible Bonds shall not be transferable without the prior written consent of the Company
- Voting: The Convertible Bonds shall not confer on the holders the right to vote at any general meeting of the Company
- Listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchanges
- An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
- Ranking: the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds shall rank pari passu with the Shares in issue on the Conversion Date, save 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
- Conversion Restriction: The conversion rights attaching to the Convertible Bonds cannot be exercised (and accordingly the Company will not issue the Conversion Shares) in any of the following events:
- (1) If such conversion will cause the Company to be unable to meet the public float requirement as required under Rule 8.08 of the Listing Rules; or
 - (2) If such conversion will result in a change of control (as defined in the Takeovers Code) in the Company.
- Redemption:
- (1) Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem each Convertible Bond then outstanding at a value equal to the aggregate principal amount then outstanding on the Maturity Date in cash;
 - (2) The Company shall, on the occurrence of any Event of Default, redeem all the Convertible Bonds then outstanding at a value equal to the aggregate of the principal amount outstanding under the Convertible Bonds by issuing Shares to the holder of the Convertible Bonds at the Conversion Price, subject to and upon compliance with the conditions in the Convertible Bonds and all regulatory requirements (including without limitation the Takeovers Code and the Listing Rules).

SHAREHOLDING STRUCTURE

The following table shows the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion of the Placing and assuming the Convertible Bonds are fully placed and upon full conversion of the Convertible Bonds.

Shareholders	As at the date of this announcement		Immediately after the Completion of the Placing and assuming the Convertible Bonds are fully placed and upon full conversion of the Convertible Bonds	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Gold Bless	953,186,000	54.86	953,186,000	47.88
Placees	–	–	253,333,333	12.73
Other Shareholders	784,196,841	45.14	784,196,841	39.39
Total	<u>1,737,382,841</u>	<u>100.00</u>	<u>1,990,716,174</u>	<u>100.00</u>

INFORMATION OF THE GROUP

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

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds in the capital market and considered that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since (i) they will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) if the conversion rights attaching to the Convertible Bonds are exercised, the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group. The Board considered that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$3,500,000 in connection with the Placing. Assuming the maximum amount of the Convertible Bonds has been placed under the Placing, the aggregate gross proceeds and the net proceeds from the Placing (after deducting related expenses) are estimated to be of approximately HK\$114,000,000 and HK\$110,500,000 respectively. The Company intends to use the net proceeds for the possible acquisition as mentioned in the Company's announcement dated 16 December 2014 and as general working capital. If the possible acquisition mentioned in the Company's announcement dated 16 December 2014 do not proceed or the funds to be invested in such possible acquisition are less than anticipated, the readily available funds obtained from the net proceeds of the issue of the Convertible Bonds will allow the Group to proceed with other possible investment projects if the terms in respect thereof have been concluded and the definitive agreements have been entered into.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the terms of the Convertible bonds (together with the Conversion Price) are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Set out below is the equity fund raising activities conducted by the Company in the past twelve months prior to the date of this announcement:

Date of announcements/ circular/listing documents (if applicable)	Description	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
14 January 2014/ 29 January 2014	Issue of convertible bonds to independent third parties in the aggregate principal amount of HK\$80.00 million	HK\$79.80 million	HK\$40.00 million for part repayment of loan from controlling Shareholder, HK\$24.00 million for operation of the clubhouse acquired by the Group on 30 January 2014, the remaining HK\$15.80 million to be used as working capital of the Group	HK\$40.00 million as repayment of loan from controlling Shareholder, approximately HK\$10.92 million as operation of the clubhouse and the remaining HK\$13.08 million will be used as intended, HK\$15.80 million have been used as working capital of the Group
05 June 2014/ 08 July 2014/ 28 July 2014	Open offer on the basis of three (3) offer Shares for every ten (10) Shares	HK\$177.70 million	(i) the potential acquisitions by the Company, including but not limited to those mentioned in the Company's announcements dated 7 January 2014 and 25 March 2014, and (ii) working capital of the Group	HK\$20.00 million as refundable deposit for the potential acquisition of Rainbow Star Global Limited (as detailed in the announcement of the Company dated 21 November 2014 and the circular of the Company dated 24 December 2014), with a further of HK\$34.25 million as potential partial settlement of the consideration of the potential acquisition of Rainbow Star Global Limited, and the remaining HK\$78.25 million will be used for other possible investment projects, HK\$45.20 million have been used as working capital of the Group

Save as disclosed hereinabove, the Company has not conducted any equity fund raising activities for the 12 months immediately before the date of this announcement.

GENERAL

Shareholders and potential investors should note that the Completion of the Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“Associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the person(s) for the time being entered in the register maintained under the terms and conditions of the Convertible Bonds as the holder or joint holders of the Convertible Bond(s), as the case may be;
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong) for the time being in force
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the day on which the Completion takes place, which shall be four Business Days after the day on which the conditions precedent under the Placing Agreement are fulfilled or such later date as the Company and the Placing Agent may agree
“Conversion Date”	a day when the conversion rights attaching to the Convertible Bonds are to be exercised
“Conversion Period”	the period commencing from the date of issue of the Convertible Bonds and ending on the Maturity Date, both dates inclusive

“Convertible Bonds”	the 3% coupon convertible bonds due 2018 in the aggregate principal amount of up to HK\$114,000,000 issued pursuant to resolutions of the Directors passed on 5 November 2014 and 29 December 2014, with the benefit of and subject to the conditions thereunder
“Conversion Price”	HK\$0.45 per Conversion Share
“Conversion Shares”	a maximum of 253,333,333 new Shares, representing approximately 14.58% of the existing issued share capital of the Company as at the date of the Placing Agreement
“Directors”	the directors for the time being of the Company
“Event of Default”	any of the events of default set out in the terms and conditions of the Convertible Bonds, the occurrence of which will allow the Bondholders to redeem the Convertible Bonds
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the Shareholders of the Company at the annual general meeting held on 13 June 2014 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of passing such resolution (such issued share capital being HK\$12,710,637.24 divided into 1,271,063,724 shares of HK\$0.01 each)
“Gold Bless”	Gold Bless International Invest Limited, a company of which 85% and 15% of its share capital is owned by Dr. Yang Wang Jian, an executive Director and the chairman of the Board, and Dr. Yu Qigang, an executive Director, respectively
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Issue Price”	the issue price of the Convertible Bonds, which shall be 100% of the principal amount of the Convertible Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	means 2 months after the date of the Placing agreement (or such other date as the Company and the Placing agent may agree in writing)

“Placee(s)”	any professional institutional or other investor independent of and not connected with the Company, the Directors, the chief executives of the Company, substantial Shareholders and management Shareholders (as defined in the Listing Rules), their subsidiaries and their respective Associates procured by or on behalf of the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing agent’s obligations hereunder
“Placing”	the placing of the Convertible Bonds, on a best effort basis, by the Placing Agent pursuant to the Placing Agreement
“Placing Agreement”	the agreement between the Company and the Placing Agent dated 29 December 2014 (after trading hours) pursuant to which the Placing Agent agrees to place, on a best effort basis, the Convertible Bonds issued by the Company to not less than six (6) independent Placees subject to the terms thereunder
“Placing Period”	the period commencing upon the execution of this Agreement and terminating at 5:00 p.m. (Hong Kong time) on the Longstop Date
“Shares”	shares of HK\$0.01 each in the capital of the Company (or shares of any other nominal amount comprising the shares of the Company for the time being)
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning attributable to it under section 15 of the Companies Ordinance
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

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

Hong Kong, 29 December 2014

As at the date of this announcement, the executive Directors are Dr. Yang Wang Jian, Mr. Wong Man Keung, Ms. Yang Jun, Mr. Chen Hanhong, Ms. Yang Ya and Dr. Yu Qigang; the non-executive Director is Ms. Yu Jiaoli; and the independent non-executive Directors are Mr. Yeung King Wah, Kenneth, Mr. Wu Hong, Mr. Low Chin Sin and Mr. Ye Yunhan.