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**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)

**CONNECTED TRANSACTION -  
TERMINATION OF THE FIRST TRANCHE OF THE CONVERTIBLE NOTES**

On 15 March 2017, the Company and Tai Shing entered into the Side Letter pursuant to which the Company and Tai Shing agreed to (i) terminate all of the Company's obligations under the First Tranche of the Convertible Notes and (ii) issue the Promissory Note. The Company issued the First Tranche of the Convertible Notes pursuant to the completion of the Acquisition in 2012.

As the highest of all applicable percentage ratios calculated under Chapter 14A of the Listing Rules with reference to the Termination is more than 0.1% but less than 5%, the Termination is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as (i) the Board has approved the Termination and (ii) all the independent non-executive Directors have confirmed that the terms of the Termination are fair and reasonable, the Termination is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Termination is only subject to the reporting and announcement requirements and is exempt from

Reference is made to the Announcements and the Circular regarding the Acquisition and the maturity of the First Tranche of the Convertible Notes.

On 15 March 2017, the Company and Tai Shing entered into the Side Letter pursuant to which the Company and Tai Shing agreed to (i) terminate all of the Company's obligations under the First Tranche of the Convertible Notes and (ii) issue the Promissory Note. The Company issued the First Tranche of the Convertible Notes pursuant to the completion of the Acquisition in 2012.

**THE SIDE LETTER**

The principal terms of the Side Letter are set out below:

Date: 15 March 2017

Parties: The Company  
Tai Shing

Termination: The Convertible Notes shall be cancelled and the Company's obligations under the First Tranche of the Convertible Notes shall terminate forthwith, and Tai Shing shall release the Company and/or all and any other of its related parties from any claims or demands that Tai Shing may have had, may now have or may have in the future in respect of the Convertible Notes or whatsoever and howsoever in connection therewith or otherwise.

In accordance to the Side Letter, the Company simultaneously granted the Promissory Note in favour of Tai Shing.

### **THE PROMISSORY NOTE**

Pursuant to the Side Letter, the Company issued to Tai Shing the Promissory Note in the principal amount of HK\$6,163,639, which is the principal amount of the First Tranche of the Convertible Notes. While the First Tranche of the Convertible Notes is interest-free, Tai Shing requested that the Promissory Note bear interest at 2% per annum (accruing from 1 December 2016). The other principal terms of the Promissory Note are summarised as follows:

Issue Date:	15 March 2017
Issuer:	The Company
Noteholder:	Tai Shing
Principal Amount:	HK\$6,163,639
Interest	2% per annum accruing from 1 December 2016
Maturity date	30 November 2017

### **INFORMATION REGARDING THE SECOND AND THIRD TRANCHES OF CONVERTIBLE NOTES**

The Convertible Notes were issued in three tranches. The details of the Second and Third Tranches of the Convertible Notes are as follows:

<b>Tranche</b>	<b>Principal Amount (HK\$)</b>	<b>Issue Date</b>	<b>Maturity Date</b>
Second Tranche	5,628,138	13 October 2014	13 October 2017
Third Tranche	477,241	8 September 2015	8 September 2018

The respective maturity dates and terms and conditions of the Second and Third Tranches of the Convertible Notes shall remain unchanged.

### **REASONS FOR AND BENEFIT OF THE TERMINATION**

The principal activity of the Company is investment holding and the Group is principally engaged in (i) the manufacturing and trading of recreational and educational toys and equipment; (ii) operation of clubhouse business; and (iii) provision of beauty and wellness services.

Tai Shing is a company incorporated in Hong Kong with limited liability, principally engaged in the business of trading of toys.

The First Tranche of the Convertible Notes matured on 29 October 2016. The Company and Tai Shing have been negotiating the settlement of the First Tranche of the Convertibles Notes. The Termination allowed the Company and Tai Shing to effect the agreed settlement, which essentially grants the Company approximately one additional year to repay the principal amount of the First Tranche of the Convertible Notes, and to provide flexibility to the Company's working capital management and deployment of its financial resources to fund its operation.

The Directors (including the independent non-executive directors) consider that the terms of the Termination, which were arrived at after arm's length negotiations among the Company and Tai Shing, are fair and reasonable, and whilst not in the ordinary and usual course of business of the Group, and the Termination are on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Termination and they are not required to abstain from voting on the board resolution in connection with the Termination.

## **LISTING RULES IMPLICATIONS**

Tai Shing holds 45% equity interest in Tai Cheng, a subsidiary of the Company. Therefore, Tai Shing is a connected person of the Company at the subsidiary level and the Termination constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios calculated under Chapter 14A of the Listing Rules with reference to the Termination is more than 0.1% but less than 5%, the Termination is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as (i) the Board has approved the Termination and (ii) all the independent non-executive Directors have confirmed that the terms of the Termination are fair and reasonable, the Termination is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Termination 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.

"Acquisition"	the acquisition of 55% of interest in Tai Cheng involving the issue of the Convertible Notes
"Announcements"	the Company's announcement dated 23 February 2012 regarding the Acquisition and the Company's announcements dated 26 October 2016 and 31 October 2016, 7 November 2016 and 11 November 2016 regarding the maturity of the First Tranche of the Convertible Notes
"Board"	the board of Directors

"Circular"	the Company's circular dated 20 March 2012 regarding the Acquisition
"Company"	Green International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed thereto in the Listing Rules
"Convertible Notes"	the convertible notes issued by the Company to Tai Shing with the principal amount of HK\$12,269,018 which was determined in accordance with the formula set out in the announcement of the Company dated 23 February 2012
"Director(s)"	the director(s) of the Company
"First Tranche of the Convertible Notes"	the first tranche of the Convertible Notes, which was issued on 29 October 2013
"Group"	the Company and its subsidiaries (from time to time)
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Promissory Note"	a promissory note granted by the Company in favour of Tai Shing on 15 March 2017 for the amount of HK\$6,163,639, at the interest rate of 2% per annum accruing from 1 December 2016 payable in full with accrued interest on 30 November 2017
"shareholder(s)"	shareholder(s) of the Company
"Second and Third Tranches of the Convertible Notes"	the second and third tranches of the Convertible Notes issued on 13 October 2014 and 8 September 2015 respectively
"Side Letter"	a side letter entered into by the Company and Tai Shing on 15 March 2017 pursuant to which the Company and Tai Shing agreed to (i) terminate all of the Company's obligations under the First Tranche of the Convertible Notes and (ii) issue the Promissory Note
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tai Cheng"	Tai Cheng International Limited, an indirect non-wholly owned subsidiary of the Company, which is incorporated in Hong Kong with limited liability whose issued share capital is owned as to 55% by Cheerful Top Group Limited (a wholly owned subsidiary of the Company) and to 45% by Tai Shing as at the date of this announcement
"Tai Shing"	Hong Kong Tai Shing Toys Trading Limited, a company incorporated in Hong Kong with limited liability which owns 45% of the issued share capital of Tai Cheng as at the date of this announcement

"Termination" the termination of all the Company's obligations under the First Tranche of the Convertible Notes, and the issuance of the Promissory Note

"%" per cent

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

Hong Kong, 15 March 2017

*As at the date of this announcement, the executive Directors are Mr. Yang Wang Jian, Mr. Zeng Xiang Di, Ms. Yang Jun, Mr. Chen Hanhong, Ms. Yang Ya, Dr. Yu Qigang and Ms. Eva Au; the nonexecutive Director is Ms. Yu Jiaoli; and the independent non-executive Directors are Mr. Wu Hong, Mr. Low Chin Sin, Mr. Ye Yunhan, Prof. Zhu Yi Zhun and Mr. Wong Ka Wai.*