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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)

**FIRST PROFIT GUARANTEE OF CHARM EASTERN ACQUISITION
AND
DEED OF UNDERTAKING BY THE VENDOR
AND THE VENDOR GUARANTORS**

Reference is made to the announcements (the “**Announcements**”) of Green International Holdings Limited (the “**Company**”) dated 28 November 2017 and 31 January 2018 in relation to the acquisition (the “**Charm Eastern Acquisition**”) of the entire issued share capital of Charm Eastern Limited (“**Charm Eastern**”). Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcements.

CHARM EASTERN ACQUISITION

On 28 November 2017, the Company entered into the Acquisition Agreement with Ample Reach Limited (the “**Vendor**”) pursuant to which the Company acquired from the Vendor the entire issued share capital and all shareholders’ loans of Charm Eastern for the total consideration of HK\$75,015,625, out of which HK\$34,000,000 (comprising the First Deposit, the Second Deposit and the Cash Consideration Balance) was paid in cash on or before Completion and the remaining consideration of HK\$41,015,625 was satisfied by the issue of convertible bonds by the Company in the aggregate principal sum of HK\$41,015,625 divided into three equal tranches of HK\$13,671,875 each (the “**1st Ample Reach CB**”, the “**2nd Ample Reach CB**” and the “**3rd Ample Reach CB**”, respectively and together the “**Ample Reach CB**”).

Charm Eastern is an investment holding company whose principal asset was the contractual right under the Equity Transfer Agreements to acquire 70% indirect equity interests in Phoenix Opco and Zizhong Opco (collectively, the “**Opcos**”). As disclosed in the Announcements, under the terms of the Acquisition Agreement, if the net profits before tax and non-controlling interest (the “**NPBT**”) of the Target Group for the six months ending 30 June 2018, 31 December 2018 and 30 June 2019 are less than RMB2,500,000 (the “**First PG**”), RMB5,000,000 (the “**Second PG**”) and RMB5,000,000 (the “**Third PG**”),

respectively, the Vendor and the Vendor Guarantors shall compensate the shortfall by surrendering the proportionate principal amount of the relevant tranche of Ample Reach CB back to the Company for cancellation.

FIRST PROFIT GUARANTEE

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to announce that based on the interim results announcement published by the Company on 30 August 2018, the NPBT of the Target Group as consolidated into the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2018 was determined to be: (a) a profit of RMB2,509,126.90 before the exclusion of one-off income not generated in the Target Group’s ordinary course of business (the “**One-off Income**”); but (b) a loss of RMB708,373.10 after the exclusion of One-off Income, being charitable donations received by the Opcos during the six months ended 30 June 2018 in the aggregate amount of RMB3,217,500.

After taking advice from the Company’s legal advisers, on 10 September 2018, the Company determined and resolved that (a) the Vendor and the Vendor Guarantors have satisfied the First PG; (b) the Compensation Bonds and Released Bonds in respect of the 1st Ample Reach CB should be determined at nil and HK\$13,671,875, respectively; and (c) the entire validated principal amount of the 1st Ample Reach CB shall be automatically converted (the “**Conversion**”) into 78,125,000 Shares (the “**Conversion Shares**”) at the conversion price of HK\$0.175 per Share in accordance with its terms.

The 78,125,000 Conversion Shares to be allotted and issued by the Company on the Conversion represents: (a) approximately 3.35% of the total number of 2,330,071,656 issued Shares prior to the Conversion; and (b) approximately 3.24% of the total number of 2,408,196,656 issued Shares as enlarged by the Conversion. The Conversion Shares will, when issued, rank *pari passu* in all respects amongst themselves and with all other existing Shares on the date of allotment. The allotment and issue of the Conversion Shares is expected to take place on or before 30 September 2018 in accordance with the terms of the Acquisition Agreement and the Ample Reach CB.

The table below illustrates the shareholding structures of the Company immediately before and after the Conversion:

Shareholders	Before the Conversion		After the Conversion	
	Shares	%	Shares	%
Gold Bless International Invest Limited	987,697,627	42.39	987,697,627	41.01
Mr. Liu Dong (<i>Note 1</i>)	251,460,000	10.79	251,460,000	10.44
Dogain Capital Limited	124,960,000	5.36	124,960,000	5.19
Conversion shares (Marsa CB)	72,619,050	3.12	72,619,050	3.02
Conversion Shares (1st Ample Reach CB)	–	–	78,125,000	3.24
Other Public Shareholders	893,334,979	38.34	893,334,979	37.10
Total	<u>2,330,071,656</u>	<u>100.00</u>	<u>2,408,196,656</u>	<u>100.00</u>

Note:

1. These 251,460,000 Shares comprise (a) 91,460,000 Shares held by Mr. Liu Dong personally; and (b) 160,000,000 Shares held by his controlled corporation, Smoothly Good Investment Development Limited.

DEED OF UNDERTAKING BY THE VENDOR AND THE VENDOR GUARANTORS

The Board wishes to announce that on 10 September 2018, the Vendor and the Vendor Guarantors entered into a deed of undertaking (the “**Deed of Undertaking**”) in favour of the Company. The principal terms of the Deed of Undertaking are summarized below:

- (1) The Company shall be entitled to exclude all and any One-off Income from the NPBT of the Target Group in the determination of the Second PG and the Third PG.
- (2) Subject to the acceptance by the Company and the obtaining by the Company of all regulatory consents and approvals required for the acceptance (if any), the 78,125,000 Conversion Shares allotted and issued by the Company to the Vendor (or as it may direct) upon the automatic conversion of the 1st Ample Reach CB (the “**Escrowed Shares**”) shall be put in escrow with the Company upon issue, and the Company shall be entitled to withhold the release of the Escrowed Shares to the Vendor (or as it shall direct) until and unless the Second PG is determined by the Company to be satisfied in full. If the Second PG is not satisfied in full, the Company shall be entitled to engage a financial institution as the placing agent to sell the Escrowed Shares and to retain the entire sale proceeds of the Escrowed Shares as liquidated damages.

The Company noticed that the Deed of Undertaking does not involve any change to the terms of the Ample Reach CB, nor does it involve any material change to the terms of the Charm Eastern Acquisition. The Deed of Undertaking does not involve any exposure by the Company to any extra risk or commitment when compared to the Company’s pre-existing contractual obligations under the Acquisition Agreement or the Ample Reach CB. After considering the terms and conditions of the Deed of Undertaking, the Directors (including all independent non-executive Directors) are of the view that the acceptance of the Deed of Undertaking given by the Vendor and the Vendor Guarantors is in the best interest of the Company and its shareholders as a whole.

By Order of the Board
Green International Holdings Limited
Yu Qigang
Chairman

Hong Kong, 10 September 2018

As at the date of this announcement, the executive Directors are Mr. Yu Qigang (Chairman), Mr. Zeng Xiangdi (Chief Executive Officer), Mr. Chen Hanhong and Mr. Liu Dong; and the independent non-executive Directors are Mr. Wu Hong, Mr. David Tsoi, Mr. Wang Chunlin and Ms. Sun Zhili.