
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Green International Holdings Limited, you should at once hand this Composite Document together with the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers.



JUMBO FAITH INTERNATIONAL LIMITED

*(incorporated in the British Virgin Islands
with limited liability)*

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)

**COMPOSITE DOCUMENT IN RELATION TO
UNCONDITIONAL MANDATORY CASH OFFERS BY
ASTRUM CAPITAL MANAGEMENT LIMITED
ON BEHALF OF
JUMBO FAITH INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
GREEN INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE AGREED TO BE ACQUIRED BY
JUMBO FAITH INTERNATIONAL LIMITED) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
GREEN INTERNATIONAL HOLDINGS LIMITED**

Financial adviser to Jumbo Faith International Limited



Independent Financial Adviser to the Independent Board Committee



紅日資本有限公司
RED SUN CAPITAL LIMITED

Terms used in this cover shall have the same meanings as defined in this Composite Document.

A letter from Astrum containing, amongst other things, details of the terms and conditions of the Offers is set out on pages 11 to 21 of this Composite Document. A letter from the Board is set out on pages 22 to 30 of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Offer Shareholders, the Offer CB Holders and Optionholders in respect of the Offers is set out on pages 31 to 32 of this Composite Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offers is set out on pages 33 to 59 of this Composite Document.

The procedures for acceptance and settlement of the Offers and other related information are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. Acceptance of the Offers should be received by the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (in respect of the Share Offer) and the Company (in respect of the Option Offer and the CB Offer) by no later than 4:00 p.m. on Thursday, 2 May 2019 or such later time and/or date(s) as the Offeror may determine and announce with the consent of the Executive, in accordance with the requirements of the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "9. OVERSEAS SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder, Overseas Optionholder and Overseas CB Holder wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction. Overseas Shareholders, Overseas Optionholders and Overseas CB Holders are advised to seek professional advice on deciding whether to accept the Offers.

This Composite Document will remain on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.green-international.com>) as long as the Offers remain open.

10 April 2019

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EXPECTED TIMETABLE

The expected timetable set out below is indicative and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and dates refer to Hong Kong local time and dates.

2019

Dispatch date of this Composite Document and the Forms of Acceptance and the commencement date of the Offers ^(Note 1)	Wednesday, 10 April
Latest time and date for acceptance of the Offers ^(Notes 2 and 4)	4:00 p.m. on Thursday, 2 May
Closing Date ^(Notes 2 and 4)	Thursday, 2 May
Announcement of the results of the Offers as at the Closing Date to be posted on the website of the Stock Exchange ^(Note 2)	No later than 7:00 p.m. on Thursday, 2 May
Latest date for posting of remittances in respect of valid acceptances received under the Offers ^(Notes 3 and 4)	Tuesday, 14 May

Notes:

1. The Offers, which are unconditional in all respects, are made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until the Closing Date. Acceptances of the Offers shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the section headed “7. Right of Withdrawal” in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offers must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offers is 4:00 p.m. on Thursday, 2 May 2019. An announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on Thursday, 2 May 2019 stating whether the Offers have been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offers and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offers are closed to those Offer Shareholders, Optionholders and Offer CB Holders who have not accepted the Offers.
3. Remittances in respect of the cash consideration payable for the Offer Consolidated Shares, the Adjusted Convertible Bonds or the Adjusted Share Options tendered under the Offers will be dispatched to the accepting Offer Shareholders, accepting Offer CB Holders or accepting Optionholders by ordinary post at their own risk as soon as possible but in any event within 7 Business Days after the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.
4. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Closing Date, the time and date of the close of the Offers will remain at 4:00 p.m. on the same Business Day; or
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Closing Date, the time and date of the close of the Offers will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS, OVERSEAS CB HOLDERS AND OVERSEAS OPTIONHOLDERS

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders, Overseas CB Holders and Overseas Optionholders (including beneficial owners of Shares and other securities of the Company) who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers.

It is the responsibility of the Overseas Shareholders, Overseas CB Holders and Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions.

The Offeror and parties acting in concert with it, the Company, Astrum, Red Sun, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers and associates, agents or any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders, Overseas CB Holders and Overseas Optionholders for any taxes, duties and levy as such person may be required to pay. Please see the paragraph headed “9. OVERSEAS SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS” in the “Letter from Astrum” and Appendix I to this Composite Document for details.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

“1st Ample Reach CB”	the zero-coupon convertible bonds in the principal amount of HK\$13,671,875 issued by the Company to Ample Reach on completion of the Charm Eastern Acquisition carrying conversion right to convert into 78,125,000 Pre-consolidation Shares at the conversion price of HK\$0.175 per Pre-consolidation Share on or before 30 September 2018, which were fully converted on 28 September 2018
“1st Ample Reach CB Conversion Shares”	19,531,250 Consolidated Shares (equivalent to 78,125,000 Pre-consolidation Shares prior to the Share Consolidation) issued by the Company to Ample Reach upon conversion of the 1st Ample Reach CB, which is currently registered in the name of Ample Reach but having been put in escrow with the Company and now being liable to be sold by the Company in compensation of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company’s announcement dated 29 March 2019
“2nd Ample Reach CB”	the zero-coupon convertible bonds in the principal amount of HK\$13,671,875 issued by the Company to Ample Reach on completion of the Charm Eastern Acquisition carrying conversion right to convert into 78,125,000 Pre-consolidation Shares at the conversion price of HK\$0.175 per Pre-consolidation Share on or before 30 April 2019
“3rd Ample Reach CB”	the zero-coupon convertible bonds in the principal amount of HK\$13,671,875 issued by the Company to Ample Reach on completion of the Charm Eastern Acquisition carrying conversion right to convert into 78,125,000 Pre-consolidation Shares at the conversion price of HK\$0.175 per Pre-consolidation Share on or before 30 September 2019
“acting in concert”	having the meaning ascribed thereto under the Takeovers Code
“Adjusted 2nd Ample Reach CB”	the 2nd Ample Reach CB with its number of conversion shares and conversion price being adjusted to 19,531,250 Consolidated Shares and HK\$0.70 per Consolidated Share, respectively, upon the Share Consolidation becoming effective on 4 March 2019, which was forfeited by the Company as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company’s announcement dated 29 March 2019

DEFINITIONS

“Adjusted 3rd Ample Reach CB”	the 3rd Ample Reach CB with its number of conversion shares and conversion price being adjusted to 19,531,250 Consolidated Shares and HK\$0.70 per Consolidated Share, respectively, upon the Share Consolidation becoming effective on 4 March 2019, the exercise of the conversion right attaching thereto being subject to the satisfaction of certain profit guarantee
“Adjusted Convertible Bonds”	all the convertible bonds issued by the Company currently outstanding as at the Latest Practicable Date (as adjusted upon the Share Consolidation becoming effective on 4 March 2019), including the Adjusted Qianhai 2016 CB, the Adjusted 3rd Ample Reach CB, the Adjusted HK Yinger CB and the Adjusted Zheyin Tianqin CB
“Adjusted HK Yinger CB”	the HK Yinger CB with its number of conversion shares and conversion price being adjusted to 176,470,588 Consolidated Shares and HK\$0.68 per Consolidated Share, respectively, upon the Share Consolidation becoming effective on 4 March 2019
“Adjusted Qianhai 2016 CB”	the Qianhai 2016 CB with its number of conversion shares and conversion price being adjusted to 10,000,000 Consolidated Shares and HK\$1.20 per Consolidated Share, respectively, upon the Share Consolidation becoming effective on 4 March 2019
“Adjusted Share Options”	the Share Options as adjusted upon the Share Consolidation becoming effective on 4 March 2019, such that the maximum number of Shares issued upon the full exercise and the exercise price are adjusted to 3,500,000 Consolidated Shares and HK\$1.28 per Consolidated Share, respectively
“Adjusted Zheyin Tianqin CB”	the Zheyin Tianqin CB with its number of conversion shares and conversion price being adjusted to 88,235,294 Consolidated Shares and HK\$0.68 per Consolidated Share, respectively, upon the Share Consolidation becoming effective on 4 March 2019
“Ample Reach”	Ample Reach Limited, the vendor of the Charm Eastern Acquisition
“Ample Reach Irrevocable Undertaking”	the irrevocable undertaking given by Ample Reach and Mr. Huang in favour of the Offeror that they will not, inter alia, tender the 2nd Ample Reach CB, the 3rd Ample Reach CB and the 19,531,250 Consolidated Shares held by it for acceptance of the Offers, details of which are set out in the paragraph headed “(2) Irrevocable Undertakings” under the section headed “THE OFFERS” in the Letter from Astrum

DEFINITIONS

“associate(s)”	having the meaning ascribed thereto under the Listing Rules or the Takeovers Code, where the context requires
“Astrum”	Astrum Capital Management Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offers
“ BLUE Form of CB Offer Acceptance”	the blue form of acceptance and transfer of the Adjusted Convertible Bonds in respect of the CB Offer
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for the transaction of business
“CB Offer”	the unconditional mandatory cash offer made by Astrum on behalf of the Offeror to the Offer CB Holders to acquire all the Adjusted Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Charm Eastern Acquisition”	the acquisition of Charm Eastern Limited as disclosed in the Company’s announcement dated 28 November 2017 which was completed on 31 January 2018
“Circular”	the circular dated 1 March 2019 issued by the Company in relation to, among other things, the Relevant Transactions
“Closing Date”	Thursday, 2 May 2019, being the closing date of the Offers, or if the Offers are extended, any subsequent closing date(s) of the Offers as may be determined and announced jointly by the Offeror and the Company, with the consent of the Executive in accordance with the Takeovers Code
“Company”	Green International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 2700
“Composite Document”	this composite offer and response document regarding the Offers jointly dispatched by the Offeror and the Company to the Shareholders, the Optionholders and the Offer CB Holders in accordance with the Takeovers Code
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Consolidated Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company after the Share Consolidation becoming effective on 4 March 2019
“Director(s)”	director(s) of the Company
“Encumbrances”	mortgage, charge, pledge, lien, option, restriction, purchase right, right of first refusal, right of pre-emption, voting trust or agreement, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Fluent Robust”	Fluent Robust Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of HK Yinger
“Form(s) of Acceptance”	the WHITE Form of Share Offer Acceptance, the BLUE Form of CB Offer Acceptance and the PINK Form of Option Offer Acceptance (as the context may require) in respect of the Offers which accompany(ies) this Composite Document
“Green International Irrevocable Undertaking”	the irrevocable undertaking given by the Company in favour of the Offeror that the Company will not, inter alia, tender the 1st Ample Reach CB Conversion Shares for acceptance of the Offers, details of which are set out in the paragraph headed “(2) Irrevocable Undertakings” under the section headed “THE OFFERS” in the Letter from Astrum
“Gold Bless”	Gold Bless International Invest Limited, a company incorporated in the British Virgin Islands and a deemed controlled corporation of Mr. Yu
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK Yinger”	Hong Kong Sheen Smile International Investment Limited, a company incorporated in Hong Kong with limited liability and 100% legally and beneficially owned by Mr. Yu
“HK Yinger CB”	the 3% per annum convertible bonds in the principal amount of HK\$120,000,000 issued by the Company to Fluent Robust on 23 March 2018 carrying conversion right to convert into 705,882,352 Pre-consolidation Shares at the conversion price of HK\$0.17 per Pre-consolidation Share

DEFINITIONS

“HK Yinger Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Yu, HK Yinger and Fluent Robust in favour of the Offeror that they will not, inter alia, tender the HK Yinger CB for acceptance of the Offers, details of which are set out in the paragraph headed “(2) Irrevocable Undertakings” under the section headed “THE OFFERS” in the Letter from Astrum
“HK Yinger Loan Facility”	the six-months, 6.5% per annum loan facility granted by HK Yinger to the Company in the maximum principal amount of HK\$30 million as disclosed in the Company’s announcement dated 13 August 2018
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all non-executive Directors, namely, Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin, which was established by the Board for the purpose of advising the Offer Shareholders, the Offer CB Holders and the Optionholders on the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers
“Independent Financial Adviser” or “Red Sun”	Red Sun Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee on the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers
“Independent Shareholders”	Shareholders other than (i) the Offeror and its associates, including Mr. Yu, Ms. Zhou, HK Yinger, Fluent Robust and Gold Bless; (ii) parties acting and presumed to be acting in concert with the Offeror, including Mr. Liu and Smoothly Good who are presumed under class (6) of the definition of “acting in concert” of the Takeovers Code to be acting in concert with the Offeror during the Offers
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Irrevocable Undertakings”	collectively, the Green International Irrevocable Undertaking, the Mr. Liu Irrevocable Undertaking, the Ample Reach Irrevocable Undertaking and the HK Yinger Irrevocable Undertaking

DEFINITIONS

“Joint Announcement”	the announcement dated 1 February 2019 jointly issued by the Company and the Offeror, in relation to, among other things, the Subscription Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate and the Special Deal
“Last Trading Day”	25 January 2019, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	8 April 2019, being the latest practicable date prior to printing of this Composite Document for the purpose of ascertaining certain information for inclusion in this Composite Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Repayment”	the proposed utilization of approximately HK\$31 million out of the proceeds payable by the Subscriber for the Subscription Consolidated Shares to repay the HK Yinger Loan Facility owed by the Company to HK Yinger
“Mr. Chen”	Mr. Chen Hanhong, an executive Director
“Mr. Huang”	Mr. Huang Zhenxia, the owner and controller of the entire issued share capital of Ample Reach
“Mr. Liu”	Mr. Liu Dong, a Shareholder and an executive Director
“Mr. Liu Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Liu and Smoothly Good in favour of the Offeror that they will not, inter alia, tender the 62,865,000 Consolidated Shares held by them for acceptance of the Offers, details of which are set out in the paragraph headed “(2) Irrevocable Undertakings” under the section headed “THE OFFERS” in the Letter from Astrum
“Mr. Yu”	Mr. Yu Qigang, an executive Director and the chairman of the Board
“Ms. Zhou”	Ms. Zhou Cuiqiong, spouse of Mr. Yu and the sole director of the Offeror

DEFINITIONS

“Non-accepting Securities Holders”	collectively, (i) the Company, being subject to the Green International Irrevocable Undertaking; (ii) Mr. Liu and Smoothly Good, being subject to the Mr. Liu Irrevocable Undertaking; (iii) Mr. Huang and Ample Reach, being subject to the Ample Reach Irrevocable Undertaking; and (iv) Mr. Yu, HK Yinger and Fluent Robust, being subject to the HK Yinger Irrevocable Undertaking, who have all undertaken to the Offeror not to accept the Offers in respect of securities in the Company held by them
“Offer CB Holder(s)”	holder(s) of the Adjusted Convertible Bond(s)
“Offer Consolidated Share(s)”	all the Consolidated Share(s) in issue, other than those Consolidated Shares agreed to be acquired by the Offeror
“Offer Shareholder(s)”	holder(s) of the Offer Consolidated Share(s)
“Offer Period”	having the meaning ascribed thereto under the Takeovers Code and commencing on 1 February 2019, being the date of the Joint Announcement, and ending on the Closing Date or such other later date as revised or extended by the Offeror, with the consent of the Executive, in accordance with the Takeovers Code
“Offeror” or “Subscriber”	Jumbo Faith International Limited, a company incorporated in the British Virgin Islands with limited liability, being the subscriber under the Subscription and the offeror under the Offers
“Offers”	collectively, the Share Offer, the Option Offer and the CB Offer
“Option Offer”	the unconditional mandatory cash offer made by Astrum on behalf of the Offeror to the Optionholders for cancellation of the Adjusted Share Options
“Optionholders”	the registered holders of the Share Options
“Overseas CB Holder(s)”	Offer CB Holder(s) whose address(es) is/are outside Hong Kong
“Overseas Optionholder(s)”	Optionholder(s) whose address(es) is/are outside Hong Kong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

DEFINITIONS

“Qianhai 2016 CB”	the 8% per annum convertible bonds in the principal amount of HK\$12,000,000 issued by the Company to Hong Kong Qian Hai Financial Group Limited on 15 April 2016 carrying conversion right to convert into 40,000,000 Pre-consolidation Shares at the conversion price of HK\$0.30 per Pre-consolidation Share
“ PINK Form of Option Offer Acceptance”	the pink form of acceptance and tender of Share Options for cancellation in exchange for cash in respect of the Option Offer
“Pre-consolidation Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation
“Registrar”	Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing on 1 August 2018, being the date falling six months preceding the date of the Joint Announcement, and ending on and inclusive of the Latest Practicable Date
“Relevant Transactions”	the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) and the Special Deal
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Consolidated Share(s) currently in issue after the Share Consolidation becoming effective on 4 March 2019 or, where the context may require, the Pre-consolidation Share(s)
“Share Consolidation”	the consolidation of every four issued and unissued Pre-consolidation Shares into one Consolidated Share (details of which being disclosed in the Company’s circular dated 13 February 2019 and Company’s announcement dated 1 March 2019) which became effective on 4 March 2019
“Share Offer”	the unconditional mandatory cash offer made by Astrum on behalf of the Offeror to the Shareholders to acquire all the Offer Consolidated Shares
“Share Offer Price”	the price at which for each of the Offer Consolidated Shares will be made, being HK\$0.212 per Offer Consolidated Share

DEFINITIONS

“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 2 September 2006 and lapsed on 2 September 2016
“Shareholders”	holder(s) of the Share(s)
“Smoothly Good”	Smoothly Good Investment Development Limited, a controlled corporation wholly-owned by Mr. Liu
“Special Deal”	the Loan Repayment which constitutes a special deal under Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 18 March 2019 conferring the authority to the Directors to issue the Subscription Consolidated Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Subscriber, and the allotment and issue by the Company, of the Subscription Consolidated Shares under the Subscription Agreement which was completed on 3 April 2019
“Subscription Agreement”	the share subscription agreement dated 25 January 2019 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	the completion of the Subscription in accordance with the terms and subject to the conditions of the Subscription Agreement, which took place on 3 April 2019
“Subscription Completion Date”	the date of Subscription Completion, being 3 April 2019
“Subscription Conditions”	the conditions precedent to the Subscription Completion as contained in the Subscription Agreement and summarized in the paragraph headed “THE SUBSCRIPTION AGREEMENT — Subscription Conditions” in the Circular
“Subscription Consolidated Shares”	754,716,981 Consolidated Shares allotted and issued to the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Price”	HK\$0.212 per Subscription Consolidated Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“WHITE Form of Share Offer Acceptance”	the white form of acceptance and transfer of Shares in respect of the Share Offer

DEFINITIONS

“Zheyin Tianqin”	浙銀天勤(深圳)投資有限公司 (Zheyin Tianqin (Shenzhen) Investment Limited*), a company incorporated in the PRC with limited liability and the original subscriber of the Zheyin Tianqin CB
“Zheyin Tianqin CB”	the 6% per annum convertible bonds in the principal amount of HK\$60,000,000 issued by the Company to Dogain Capital Limited (a controlled corporation wholly-owned by Zheyin Tianqin) on 19 April 2018 carrying conversion right to convert into 352,941,176 Pre-consolidation Shares at the conversion price of HK\$0.17 per Pre-consolidation Share
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

** In this Composite Document, the English transliteration of the Chinese names, where indicated, are included for identification purpose only, and should not be regarded as the official English names of such Chinese names. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM ASTRUM



Room 2704, 27/F, Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

10 April 2019

To the Offer Shareholders, the Optionholders and the Offer CB Holders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
ASTRUM CAPITAL MANAGEMENT LIMITED
ON BEHALF OF
JUMBO FAITH INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
GREEN INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE AGREED TO BE ACQUIRED BY
JUMBO FAITH INTERNATIONAL LIMITED) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
GREEN INTERNATIONAL HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement, the Circular and the completion announcement of the Company dated 3 April 2019 in relation to, among other things, the Relevant Transactions and the Offers.

As disclosed in the Joint Announcement, the Company (as issuer) and the Subscriber entered into the Subscription Agreement on 25 January 2019, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 754,716,981 Consolidated Shares (equivalent to 3,018,867,924 Pre-consolidation Shares prior to the Share Consolidation) at the Subscription Price of HK\$0.212 per Subscription Consolidated Share (equivalent to HK\$0.053 per Pre-consolidation Share prior to the Share Consolidation). On 3 April 2019, all the Subscription Conditions have been fulfilled and the Subscription was completed in accordance with the terms of the Subscription Agreement.

Upon the Subscription Completion, the shareholding of the Offeror increased from nil to approximately 51.2% of the issued share capital and total voting rights of the Company, while the shareholding of the Offeror and parties acting in concert with it (excluding Mr. Liu) increased from approximately 34.4% to approximately 68.0% of the issued share capital and total voting rights of the

LETTER FROM ASTRUM

Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory general offer for all the issued Shares and all the outstanding convertible bonds of the Company (other than those agreed to be acquired by the Offeror) and to cancel all the outstanding Share Options. The Offers are unconditional in all respects.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offers, information on the Offeror and the intention of the Offeror regarding the Group following the close of the Offers. The terms and procedures of acceptance of the Offers are set out in this letter, Appendix I to this Composite Document, and the accompanying Forms of Acceptance.

The Offer Shareholders, the Optionholders and the Offer CB Holders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from Independent Financial Adviser” as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

THE OFFERS

(1) Principal terms of the Offers

Astrum, on behalf of the Offeror, hereby makes the Offers in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Consolidated Share HK\$0.212 in cash

The Share Offer is extended to all Offer Shareholders in accordance with the Takeovers Code.

The Share Offer Price of HK\$0.212 per Offer Consolidated Share is equal to the Subscription Price per Subscription Consolidated Share under the Subscription Agreement, which was arrived at after arm’s length negotiations between the Company and the Offeror with reference to the market price of the Shares and the then-prevailing market conditions at the time of the Subscription.

The Offer Consolidated Shares to be acquired under the Share Offer shall be fully-paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of dispatch of this Composite Document.

Comparisons of value

The Share Offer Price of HK\$0.212 per Offer Consolidated Share represents:

- (i) a premium of approximately 8.16% over the theoretical closing price of HK\$0.196 per Consolidated Share, based on the closing price of HK\$0.049 per Pre-consolidation Share as quoted on the Stock Exchange on the Last Trading Day;

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- (ii) a premium of approximately 7.29% over the theoretical five-days' average closing price of HK0.1976 per Consolidated Share, based on the average closing price of HK\$0.0494 per Pre-consolidation Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;
- (iii) a premium of approximately 6.85% over the theoretical ten-days' average closing price of HK\$0.1984 per Consolidated Share, based on the average closing price of HK\$0.0496 per Pre-consolidation Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;
- (iv) a discount of approximately 21.48% to the closing price of HK\$0.270 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a premium of approximately 76.67% over the theoretical net asset value of HK\$0.120 per Consolidated Share, based on the net asset value per Pre-consolidation Share of approximately HK\$0.030 as at 31 December 2018 (see note 1 below); and
- (vi) a premium of approximately 29.27% over the adjusted net asset value of HK\$0.164 per Consolidated Share (the "**Adjusted NAV per Share**"), based on the adjusted net assets of the Company (the "**Adjusted NAV**") of HK\$242,221,000 as at the Latest Practicable Date (see note 2 below).

Notes:

1. *The calculations of the net asset value of approximately HK\$0.030 per Pre-consolidation Share are based on: (a) the Group's audited equity attributable to the equity holders of the Company of approximately HK\$86,221,000 as at 31 December 2018; and (b) a total of 2,874,196,656 issued Pre-consolidation Shares as at 31 December 2018.*
2. *The Adjusted NAV of the Company is calculated from the sum of (a) the audited equity attributable to the equity holders of the Company as at 31 December 2018 of approximately HK\$86,221,000; and (b) net proceeds in the approximate amount of HK\$156 million raised from the Subscription, divided by (c) a total of 1,473,266,145 issued Consolidated Shares as at the Latest Practicable Date.*

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Consolidated Shares was HK\$0.704 per Consolidated Share as quoted on the Stock Exchange on 13 August 2018 (equivalent to HK\$0.176 per Pre-consolidation Share prior to the Share Consolidation) and the lowest closing price of the Consolidated Shares was HK\$0.176 per Consolidated Share as quoted on the Stock Exchange on 6 December 2018 (equivalent to HK\$0.044 per Pre-consolidation Share prior to the Share Consolidation).

The Option Offer

For cancellation of each Adjusted Share Option HK\$0.001 in cash

None of the Optionholders is acting in concert with the Offeror, nor have any of them undertaken not to accept the Offers. The Option Offer is extended to all Optionholders in accordance with the Takeovers Code.

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As the exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Share Consolidation) for the Adjusted Share Options is above the Share Offer Price, the Adjusted Share Options are out-of-money and the offer price for each Adjusted Share Option is a nominal value of HK\$0.001.

Following acceptance of the Option Offer, the relevant Adjusted Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The CB Offer

- (i) For every HK\$1 face value of the Adjusted Qianhai 2016 CB HK\$0.1767 in cash**
- (ii) For every HK\$1 face value of the Adjusted 3rd Ample Reach CB HK\$0.3029 in cash**
- (iii) For every HK\$1 face value of the Adjusted HK Yinger CB HK\$0.3118 in cash**
- (iv) For every HK\$1 face value of the Adjusted Zheyin Tianqin CB HK\$0.3118 in cash**

The CB Offer is extended to all Offer CB Holders in accordance with the Takeovers Code.

The Adjusted Convertible Bonds to be acquired under the CB Offer shall be fully-paid and free from all Encumbrances of any nature and together with all rights now or hereafter attaching or accruing to them, including the right to all dividends, interests and other distributions (if any) declared, made or paid on or after the date of dispatch of this Composite Document.

The CB Offer applies to the outstanding Adjusted Convertible Bonds in issue on the date of this Composite Document and do not apply to any Adjusted Convertible Bonds which are or have been converted into Shares prior to the close of the CB Offer.

The above offer prices for the relevant Adjusted Convertible Bonds are determined in accordance with Rule 13 of the Takeovers Code as the “see-through” consideration for each relevant Adjusted Convertible Bonds, being the number of Consolidated Shares into which the relevant Adjusted Convertible Bonds are convertible multiplied by the Share Offer Price.

Under the terms of the Charm Eastern Acquisition and the deed of undertaking (the “**Charm Eastern Acquisition Undertaking**”) dated 10 September 2018 entered into by Ample Reach and its guarantors in favour of the Company (as disclosed in the Company’s announcement dated 10 September 2018), the 2nd Ample Reach CB, the 3rd Ample Reach CB and the 1st Ample Reach CB Conversion Shares were put in escrow with the Company pending the determination of the extent of satisfaction of the second and third profit guarantee of Charm Eastern Acquisition. As disclosed in the Company’s announcement dated 29 March 2019, as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, the Adjusted 2nd Ample Reach CB was forfeited by the Company in accordance with the terms of the Charm Eastern Acquisition and the 2nd Ample Reach CB, and the Company shall be entitled to appoint a placing agent to sell the 1st Ample Reach CB Conversion Shares and to retain the entire sale proceeds as liquidated damages in accordance with the

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terms of the Charm Eastern Acquisition Undertaking. Furthermore, the vesting of the Adjusted 3rd Ample Reach CB is still subject to the determination of the level of satisfaction (or failure) of the third profit guarantee in respect of the profit measurement period for the six months ending 30 June 2019. To avoid any unnecessary controversy as to the eligibility of acceptance of the Offers regarding the 1st Ample Reach CB Conversion Shares, the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB, Ample Reach and the Company have given the Ample Reach Irrevocable Undertaking and the Green International Irrevocable Undertaking, respectively, as detailed in the paragraph headed “(2) *Irrevocable Undertakings*” below.

(2) Irrevocable Undertakings

As at the Latest Practicable Date, Mr. Liu (an executive Director who is presumed to be acting in concert with the Offeror under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until the close of the Offers), through himself and Smoothly Good (a company wholly-owned by Mr. Liu), collectively held 62,865,000 Consolidated Shares, representing approximately 4.27% of the total issued share capital of the Company. Mr. Liu and Smoothly Good have given the Mr. Liu Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the Share Offer, and that, from the date of the Mr. Liu Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Consolidated Shares held by them or any interest in any of the Consolidated Shares held by them, or otherwise make any of such Consolidated Shares available for acceptance.

As at the Latest Practicable Date, Ample Reach had 19,531,250 Consolidated Shares (i.e. the 1st Ample Reach CB Conversion Shares), representing approximately 1.33% of the total issued share capital of the Company, registered in its name (but having been put in escrow with the Company and now being liable to be sold by the Company in compensation of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company’s announcement dated 29 March 2019) and still held the Adjusted 3rd Ample Reach CB (after the Company resolved to forfeit the Adjusted 2nd Ample Reach CB as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company’s announcement dated 29 March 2019). Ample Reach and its owner and controller, Mr. Huang, have given the Ample Reach Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the Offers, and that, from the date of the Ample Reach Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Consolidated Shares held by Ample Reach, the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB, or in fact any Consolidated Shares or interest in Consolidated Shares held by them (if any), nor will they convert the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB into Consolidated Shares or otherwise make any of such Consolidated Shares, the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB available for acceptance. The Company has given the Green International Irrevocable Undertaking, pursuant to which the Company has irrevocably undertaken to the Offeror that the Company will not accept the Offers, will continue to keep the 1st Ample Reach CB Conversion Shares in escrow until the close of the Offers and will not, whether directly or

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indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the 1st Ample Reach CB Conversion Shares or otherwise make any of the 1st Ample Reach CB Conversion Shares available for acceptance until the close of the Offers.

As at the Latest Practicable Date, Fluent Robust (a wholly-owned subsidiary of HK Yinger, which in turn is a controlled corporation of Mr. Yu who is presumed to be acting in concert with the Offeror) is the holder of the HK Yinger CB. Mr. Yu, HK Yinger and Fluent Robust have given the HK Yinger Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the CB Offer and that, from the date of the HK Yinger Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of the Adjusted HK Yinger CB, or in fact any Consolidated Shares or interest in Consolidated Shares held by them (if any), nor will they convert the Adjusted HK Yinger CB into Consolidated Shares or otherwise make the Adjusted HK Yinger CB available for acceptance.

(3) Value of the Offers

The Share Offer

As at the Latest Practicable Date, the number of Consolidated Shares subject to the Share Offer is 718,549,164 (representing the Consolidated Shares not already owned or agreed to be acquired by the Offeror and including the Consolidated Shares subject to the Irrevocable Undertakings). Based on the Share Offer Price of HK\$0.212 per Offer Consolidated Share for 718,549,164 Offer Consolidated Shares, the Share Offer is valued at HK\$152,332,422.77, assuming that there will be no change in the share capital of the Company before the Closing Date.

Assuming all outstanding Adjusted Share Options will be exercised and new Consolidated Shares will be allotted and issued as a result of such exercise before the Closing Date, the number of Consolidated Shares subject to the Share Offer will be 722,049,164 in aggregate. Based on the Share Offer Price of HK\$0.212 per Offer Consolidated Share for 722,049,164 Offer Consolidated Shares, the Share Offer is valued at HK\$153,074,422.77, assuming that there will be no change in the share capital of the Company before the Closing Date, save for the exercise of the Adjusted Share Options as aforesaid.

Assuming all outstanding Adjusted Share Options and Adjusted Convertible Bonds will be exercised and converted, and new Consolidated Shares will be allotted and issued as a result of such exercise and conversion before the Closing Date, the number of Consolidated Shares subject to the Share Offer will be 1,016,286,296 in aggregate. Based on the Share Offer Price of HK\$0.212 per Offer Consolidated Share for 1,016,286,296 Offer Consolidated Shares, the Share Offer is valued at HK\$215,452,694.75, assuming that there will be no change in the share capital of the Company before the Closing Date, save for the exercise of the Adjusted Share Options and conversion of the Adjusted Convertible Bonds as aforesaid.

The Option Offer

As at the Latest Practicable Date, there were 3,500,000 outstanding Adjusted Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 3,500,000 Consolidated Shares.

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Assuming that none of the outstanding Adjusted Share Options will be exercised before the Closing Date, the total consideration required to satisfy the cancellation of all the outstanding Adjusted Share Options will be HK\$3,500.

Assuming all outstanding Adjusted Share Options will be exercised before the Closing Date, the value of the Option Offer will be nil.

The CB Offer

As at the Latest Practicable Date, the Company had outstanding Adjusted Convertible Bonds with an aggregate principal amount of HK\$205,671,875 convertible into 294,237,132 Consolidated Shares.

For all the outstanding Adjusted Convertible Bonds in issue, the CB Offer is valued at HK\$62,385,610.94.

Assuming all the outstanding Adjusted Convertible Bonds in issue will be converted before the Closing Date, the value of the CB Offer will be nil.

Aggregate value of the Offers

Based on the above, the Offers are in aggregate valued at a maximum of HK\$215,460,033.71.

(4) Confirmation of financial resources

The Offeror intends to fund the consideration payable under the Offers from its own financial resources. Astrum, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for the full acceptance of the Offers (excluding the Consolidated Shares and the Adjusted Convertible Bonds held by the Non-accepting Securities Holders who have irrevocably undertaken not to accept the Offers).

(5) Effect of accepting the Offers

The Share Offer

The Share Offer is made on the basis that valid acceptance of the Share Offer by any Offer Shareholder will be deemed to constitute a warranty by such person that the Offer Consolidation Shares sold by such person under the Share Offer are free from all Encumbrances and together with all rights attaching thereto, including, without limitation, the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date of this Composite Document.

The Option Offer

The Option Offer is made on the basis that valid acceptance of the Option Offer by any Optionholder will be deemed to constitute a warranty by such person that the Adjusted Share Options sold by such person under the Option Offer are free from all Encumbrances whatsoever and the Adjusted Share Options will be cancelled and renounced together with all rights attaching thereto as at the date of this Composite Document.

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The CB Offer

The CB Offer is made on the basis that valid acceptance of the CB Offer by any Offer CB Holder will be deemed to constitute a warranty by such person that the Adjusted Convertible Bonds sold by such person under the CB Offer are free from all Encumbrances whatsoever together with all rights attaching thereto as at the date of this Composite Document.

(6) Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event, within seven Business Days of the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder, an Optionholder or an Offer CB Holder who accepts the Offers (as the case may be) will be rounded up to the nearest cent.

(7) Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Consolidated Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Offer Shareholders accepting the Share Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and transfer of the Offer Consolidated Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer. Any seller's Hong Kong ad valorem stamp duty payable in connection with the acceptance of the CB Offer shall be borne by the accepting Offer CB Holder.

(8) Taxation advice

The Offer Shareholders, the Optionholders and the Offer CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Astrum, Red Sun, the Registrar and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

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(9) Overseas Shareholders, Overseas Optionholders and Overseas CB Holders

The Offeror intends to make the Offers available to all Overseas Shareholders, Overseas Optionholders and Overseas CB Holders, including those who are resident outside Hong Kong.

The availability of the Offers to any Overseas Shareholders, Overseas Optionholders and Overseas CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of the Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders, Overseas Optionholders and Overseas CB Holders in respect of such jurisdictions).

Acceptance of the Offers by any Overseas Shareholders, Overseas Optionholders or Overseas CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such Overseas Shareholder, Overseas Optionholder or Overseas CB Holder lawfully under the laws of the relevant jurisdictions. The Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders should consult their professional advisers if in doubt.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability. The Offeror was newly incorporated on 9 January 2019 and has not engaged in any business activities save and except the entering into of the Subscription Agreement. Upon Subscription Completion and as at the Latest Practicable Date, the Offeror held 754,716,981 Subscription Consolidated Shares, representing approximately 51.2% of the issued share capital of the Company. As at the Latest Practicable Date, the entire issued share capital of the Offeror is wholly-owned by Ms. Zhou, who is the spouse of Mr. Yu, an executive Director and the chairman of the Board.

Ms. Zhou, aged 56, is the sole director of the Offeror. She is an entrepreneur and has over 20 years of business management and operation experience in fashion industry in the PRC. She is one of the founders of 影兒時尚集團 (Yinger Fashion Group*), which is principally engaged in the design, production, marketing and sale of high-end female fashion products under its own well-known brands with over 1,000 retail stores in the PRC.

Mr. Yu, aged 54, was appointed as an executive Director on 5 September 2013, the Chairman of the Board on 6 June 2017, the chairman of the nomination committee of the Company on 7 June 2017 and a member of the remuneration committee of the Company on 14 June 2017. He was a member of the Standing Committee of the Shenzhen Committee of Chinese Peoples' Political Consultative Conference during the fourth and fifth sessions from 2005 to 2015. He is the founder of Shenzhen Yinger Fashion Group Co., Ltd. and has over 25 years of operation and management experience in

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garment and fashion industries. He is an uncle of Ms. Yu Jiaoli, a former non-executive Director who resigned on 13 July 2018. Based on the disclosure of interests filing available to the Company, Mr. Yu regarded himself to be deemed, pursuant to Part XV of the SFO, to be interested in (a) 246,924,406 Consolidated Shares (representing 16.76% of the total issued share capital of the Company) held by Gold Bless, a company which is regarded as a controlled corporation of Mr. Yu; (b) 176,470,588 underlying Consolidated Shares attributed to the Adjusted HK Yinger CB held by Fluent Robust (a wholly-owned subsidiary of HK Yinger) which is regarded as a controlled corporation of Mr. Yu. Mr. Yu is also a director of HK Yinger; and (c) 754,716,981 Subscription Consolidated Shares allotted and issued to the Subscriber (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the existing businesses of the Group. The Offeror has no intention to discontinue the employment of any employees of the Group and dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business.

The Offeror will, following the close of the Offers, conduct a review of the operations of the Group in order to formulate a long-term strategy for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue base. Subject to the results of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. As at the Latest Practicable Date, the Offeror had not identified any such investment or business opportunities.

As at the Latest Practicable Date, the Offeror had no intention to enter nor had entered into any agreement, arrangement or understanding to (a) acquire and/or develop any new business; and (b) dispose of or downsize any existing principal businesses and/or any significant fixed assets which are material to the existing operation of the Group other than in the ordinary course of business.

NO CHANGE OF BOARD COMPOSITION OF THE COMPANY

The Board is currently made up of six Directors, comprising three executive Directors, namely, Mr. Yu, Mr. Chen Hanhong and Mr. Liu and three independent non-executive Directors, namely, Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin. As at the Latest Practicable Date, the Offeror had no plan to change the composition of the Board.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUES OF THE COMPANY

The Offeror intends to maintain the listing of the Consolidated Shares on the Stock Exchange after the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Consolidated Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the

LETTER FROM ASTRUM

trading of the Consolidated Shares; or (ii) there are insufficient Consolidated Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend dealings in the Consolidated Shares.

In order to ensure that within a reasonable period after the close of the Offers, there will be not less than 25% of the Company's total number of issued Consolidated Shares held by the public, the Offeror and the Board have undertaken to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offers to ensure that at least 25% of the total number of issued Consolidated Shares will be held by the public.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Consolidated Shares after the close of the Offers.

GENERAL

All documents and remittances to be sent to the Offer Shareholders, the Optionholders and the Offer CB Holders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Offer Shareholders, the Optionholders and the Offer CB Holders at their respective addresses as they appear in the registers of the members, optionholders or bondholders (as the case may be) of the Company and in the case of joint holders, to such holder whose name appears first in the relevant register. The Offeror and parties acting in concert with it, the Company, Astrum, Red Sun, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other parties involved in the Offers will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser" and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offers.

Yours faithfully,
For and on behalf of
Astrum Capital Management Limited
Hidulf Kwan **Rebecca Mak**
Managing Director *Director*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yu Qigang (*Chairman*)
Mr. Chen Hanhong
Mr. Liu Dong

Independent non-executive Directors:

Mr. Wu Hong
Mr. David Tsoi
Mr. Wang Chunlin

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Suite 2208-09, 22/F.
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

10 April 2019

To the Offer Shareholders, the Optionholders and the Offer CB Holders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
ASTRUM CAPITAL MANAGEMENT LIMITED
ON BEHALF OF
JUMBO FAITH INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
GREEN INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE AGREED TO BE ACQUIRED BY
JUMBO FAITH INTERNATIONAL LIMITED) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
GREEN INTERNATIONAL HOLDINGS LIMITED**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Joint Announcement, the Circular and the completion announcement of the Company dated 3 April 2019 in relation to, among other things, the Relevant Transactions and the Offers.

As disclosed in the Joint Announcement, the Company (as issuer) and the Subscriber entered into the Subscription Agreement on 25 January 2019, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 754,716,981 Consolidated Shares (equivalent to 3,018,867,924 Pre-consolidation Shares prior to the Share Consolidation) at the Subscription Price of HK\$0.212 per Subscription Consolidated Share (equivalent to HK\$0.053 per Pre-consolidation Share prior to the Share Consolidation). On 3 April 2019, all the Subscription Conditions have been fulfilled and the Subscription was completed in accordance with the terms of the Subscription Agreement.

Upon the Subscription Completion, the shareholding of the Offeror increased from nil to approximately 51.2% of the issued share capital and total voting rights of the Company, while the shareholding of the Offeror and parties acting in concert with it (excluding Mr. Liu) increased from approximately 34.4% to approximately 68.0% of the issued share capital and total voting rights of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory general offer for all the issued Shares and all the outstanding convertible bonds of the Company (other than those agreed to be acquired by the Offeror) and to cancel all the outstanding Share Options. The Offers are unconditional in all respects.

As at the Latest Practicable Date, the Company had 1,473,266,145 Consolidated Shares in issue.

As at the Latest Practicable Date, there were 3,500,000 outstanding Adjusted Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 3,500,000 Consolidated Shares (equivalent to 14,000,000 Pre-consolidation Shares prior to the Share Consolidation) at an exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Shares Consolidation) on or before 10 May 2022.

As at the Latest Practicable Date, the Company had outstanding Adjusted Convertible Bonds with an aggregate principal amount of HK\$205,671,875 convertible into 294,237,132 Consolidated Shares, particulars of which are as follows:

- (i) the Adjusted Qianhai 2016 CB in the principal amount of HK\$12,000,000, which is convertible into 10,000,000 Consolidated Shares (equivalent to 40,000,000 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$1.20 per Consolidated Share (adjusted from the conversion price of HK\$0.30 per Pre-consolidation Share prior to the Share Consolidation);
- (ii) the Adjusted 3rd Ample Reach CB in the principal amount of HK\$13,671,875, which is convertible into 19,531,250 Consolidated Shares (equivalent to 78,125,000 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.70 per Consolidated Share (adjusted from the conversion price of HK\$0.175 per Pre-consolidation Share prior to the Share Consolidation);

LETTER FROM THE BOARD

- (iii) the Adjusted HK Yinger CB in the principal amount of HK\$120,000,000, which is convertible into 176,470,588 Consolidated Shares (equivalent to 705,882,352 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.68 per Consolidated Share (adjusted from the conversion price of HK\$0.170 per Pre-consolidation Share prior to the Share Consolidation); and
- (iv) the Adjusted Zheyin Tianqin CB in the principal amount of HK\$60,000,000, which is convertible into 88,235,294 Consolidated Shares (equivalent to 352,941,176 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.68 per Consolidated Share (adjusted from the conversion price of HK\$0.170 per Pre-consolidation Share prior to the Share Consolidation).

Save as disclosed above, the Company did not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Consolidation Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Consolidated Shares, as at the Latest Practicable Date.

The purpose of this Composite Document is to provide you with, amongst other things, (i) the details of the Offers (including the expected timetable and the terms and conditions of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders, the Optionholders and the Offer CB Holders in respect of the Offers; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) information relating to the Offeror and the Group, together with the Forms of Acceptance.

INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin, was established by the Board for the purpose of advising the Offer Shareholders, the Offer CB Holders and the Optionholders on the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers.

All the non-executive Directors comprising the Independent Board Committee have no direct or indirect interest or involvement in the Offers, and are considered appropriate for joining as members of the Independent Board Committee to advise the Offer Shareholders, the Optionholders and the Offer CB Holders as to the terms and acceptance of the Offers.

Red Sun has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offers and as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers. The appointment of Red Sun has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

LETTER FROM THE BOARD

THE OFFERS

Principal terms of the Offers

As set out in the “Letter from Astrum” contained in this Composite Document, Astrum, on behalf of the Offeror, makes the Offers in accordance with the Takeovers Code on the following basis:

(1) The Share Offer

For each Offer Consolidated Share HK\$0.212 in cash

The Share Offer is extended to all Offer Shareholders in accordance with the Takeovers Code.

The Share Offer Price of HK\$0.212 per Offer Consolidated Share is equal to the Subscription Price per Subscription Consolidated Share under the Subscription Agreement, which was arrived at after arm’s length negotiations between the Company and the Offeror with reference to the market price of the Shares and the then-prevailing market conditions at the time of the Subscription.

The Offer Consolidated Shares to be acquired under the Share Offer shall be fully-paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of dispatch of this Composite Document.

Comparisons of value

The Share Offer Price of HK\$0.212 per Offer Consolidated Share represents:

- (i) a premium of approximately 8.16% over the theoretical closing price of HK\$0.196 per Consolidated Share, based on the closing price of HK\$0.049 per Pre-consolidation Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.29% over the theoretical five-days’ average closing price of HK0.1976 per Consolidated Share, based on the average closing price of HK\$0.0494 per Pre-consolidation Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;
- (iii) a premium of approximately 6.85% over the theoretical ten-days’ average closing price of HK\$0.1984 per Consolidated Share, based on the average closing price of HK\$0.0496 per Pre-consolidation Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;

LETTER FROM THE BOARD

- (iv) a discount of approximately 21.48% to the closing price of HK\$0.270 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a premium of approximately 76.67% over the theoretical net asset value of HK\$0.120 per Consolidated Share, based on the net asset value per Pre-consolidation Share of approximately HK\$0.030 as at 31 December 2018 (see Note 1 below); and
- (vi) a premium of approximately 29.27% over the adjusted net asset value of HK\$0.164 per Consolidated Share (the “**Adjusted NAV per Share**”), based on the adjusted net assets of the Company (the “**Adjusted NAV**”) of HK\$242,221,000 as at the Latest Practicable Date (see note 2 below).

Notes:

1. *The calculations of the net asset value of approximately HK\$0.030 per Pre-consolidation Share are based on: (a) the Group’s audited equity attributable to the equity holders of the Company of approximately HK\$86,221,000 as at 31 December 2018; and (b) a total of 2,874,196,656 issued Pre-consolidation Shares as at 31 December 2018.*
2. *The Adjusted NAV of the Company is calculated from the sum of (a) the audited equity attributable to the equity holders of the Company as at 31 December 2018 of approximately HK\$86,221,000; and (b) net proceeds in the approximate amount of HK\$156 million raised from the Subscription, divided by (c) a total of 1,473,266,145 issued Consolidated Shares as at the Latest Practicable Date.*

(2) The Option Offer

For cancellation of each Adjusted Share Option HK\$0.001 in cash

None of the Optionholders is acting in concert with the Offeror, nor have any of them undertaken not to accept the Offers. The Option Offer is extended to all Optionholders in accordance with the Takeovers Code.

As the exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Share Consolidation) for the Adjusted Share Options is above the Share Offer Price, the Adjusted Share Options are out-of-money and the offer price for each Adjusted Share Option is a nominal value of HK\$0.001.

Following acceptance of the Option Offer, the relevant Adjusted Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

(3) The CB Offer

- (i) For every HK\$1 face value of the Adjusted Qianhai 2016 CB HK\$0.1767 in cash**
- (ii) For every HK\$1 face value of the Adjusted 3rd Ample Reach CB . HK\$0.3029 in cash**
- (iii) For every HK\$1 face value of the Adjusted HK Yinger CB HK\$0.3118 in cash**
- (iv) For every HK\$1 face value of the Adjusted Zheyin Tianqin CB . . . HK\$0.3118 in cash**

LETTER FROM THE BOARD

The CB Offer is extended to all Offer CB Holders in accordance with the Takeovers Code.

The Adjusted Convertible Bonds to be acquired under the CB Offer shall be fully-paid and free from all Encumbrances of any nature and together with all rights now or hereafter attaching or accruing to them, including the right to all dividends, interests and other distributions (if any) declared, made or paid on or after the date of dispatch of this Composite Document.

The CB Offer applies to the outstanding Adjusted Convertible Bonds in issue on the date of this Composite Document and do not apply to any Adjusted Convertible Bonds which are or have been converted into Consolidated Shares prior to the close of the CB Offer.

The above offer prices for the relevant Adjusted Convertible Bonds are determined in accordance with Rule 13 of the Takeovers Code as the “see-through” consideration for each relevant Adjusted Convertible Bonds, being the number of Consolidated Shares into which the relevant Adjusted Convertible Bonds are convertible multiplied by the Share Offer Price.

Under the terms of the Charm Eastern Acquisition and the deed of undertaking (the “**Charm Eastern Acquisition Undertaking**”) dated 10 September 2018 entered into by Ample Reach and its guarantors in favour of the Company (as disclosed in the Company’s announcement dated 10 September 2018), the 2nd Ample Reach CB, the 3rd Ample Reach CB and the 1st Ample Reach CB Conversion Shares were put in escrow with the Company pending the determination of the extent of satisfaction of the second and third profit guarantee of Charm Eastern Acquisition. As disclosed in the Company’s announcement dated 29 March 2019, as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, the Adjusted 2nd Ample Reach CB was forfeited by the Company in accordance with the terms of the Charm Eastern Acquisition and the 2nd Ample Reach CB, and the Company shall be entitled to appoint a placing agent to sell the 1st Ample Reach CB Conversion Shares and to retain the entire sale proceeds as liquidated damages in accordance with the terms of the Charm Eastern Acquisition Undertaking. Furthermore, the vesting of the Adjusted 3rd Ample Reach CB is still subject to the determination of the level of satisfaction (or failure) of the third profit guarantee in respect of the profit measurement period for the six months ending 30 June 2019. To avoid any unnecessary controversy as to the eligibility of acceptance of the Offers regarding the 1st Ample Reach CB Conversion Shares, the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB, Ample Reach has given the Ample Reach Irrevocable Undertaking as detailed in the paragraph headed “(2) *Irrevocable Undertakings*” in the “Letter from Astrum” on page 15 of this Composite Document. In addition, the Company has given the Green International Irrevocable Undertaking, pursuant to which the Company has irrevocably undertaken to the Offeror that the Company will not accept the Offers, will continue to keep the 1st Ample Reach CB Conversion Shares in escrow until the close of the Offers and will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the 1st Ample Reach CB Conversion Shares or otherwise make any of the 1st Ample Reach CB Conversion Shares available for acceptance until the close of the Offers.

(4) Further details of the Offers

Please refer to the “Letter from Astrum” contained in this Composite Document and Appendix I to this Composite Document for further information in relation to the Offers, the making of the Offers to the Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holder, taxation and acceptance and settlement procedures of the Offers.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP

The Group is principally engaged in the provision of (i) health, medical and related services; (ii) beauty, wellness and related services; and (iii) integrated financial services comprising money-lending, securities brokerage, advising on securities and asset management.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) immediately before the Subscription Completion; and (ii) immediately after the Subscription Completion and as at the Latest Practicable Date:

	Immediately before the Subscription Completion		Immediately after the Subscription Completion and as at the Latest Practicable Date	
	<i>No. of Consolidated Shares</i>	%	<i>No. of Consolidated Shares</i>	%
The Offeror ^(Note 1)	—	—	754,716,981	51.23
Gold Bless ^(Note 2)	246,924,406	34.36	246,924,406	16.76
<i>Sub-total of the Offeror and parties acting in concert with it (other than Mr. Liu)</i>	246,924,406	34.36	1,001,641,387	67.99
Mr. Liu ^(Note 3)	62,865,000	8.75	62,865,000	4.27
<i>Sub-total of the Offeror and parties acting in concert with it and connected persons</i>	309,789,406	43.11	1,064,506,387	72.25
Public Shareholders	408,759,758	56.89	408,759,758	27.75
Total	<u>718,549,164</u>	<u>100.00</u>	<u>1,473,266,145</u>	<u>100.00</u>

Notes:

- The Offeror is wholly owned by Ms. Zhou.
- 246,924,406 Consolidated Shares beneficially owned by Gold Bless, a company whose issued shares were registered, according to the disclosure of interest filings made on behalf of Mr. Yang Wang Jian ("Mr. Yang"), a director of Gold Bless and an ex-director of the Company, as to: (a) 65% (the "Disputed Gold Bless Shareholding") in the name of Mr. Yang; (b) 20% in the name of Mr. Yu; and (c) 15% in the name of Winning Top Investments Limited ("Winning Top"), a company which is wholly-owned by Mr. Yu.

LETTER FROM THE BOARD

Gold Bless is deemed to be a controlled corporation of Mr. Yu pursuant to Part XV of the SFO because of the 20% and 15% registered shareholding of Mr. Yu and Winning Top in Gold Bless, and is presumed to be acting in concert with the Offeror. In addition, based on the information provided by Mr. Yu, (i) he has an alleged claim over the Disputed Gold Bless Shareholding; (ii) he has commenced legal action in Hong Kong (the “Gold Bless Litigation”) against Mr. Yang which may, subject to the outcome of the litigation, affect the ownership of the Disputed Gold Bless Shareholding; (iii) the 246,924,406 Consolidated Shares held by Gold Bless are maintained with a licensed financial institution; and (iv) pursuant to the order of the High Court of Hong Kong, Mr. Yang cannot deal with the Disputed Gold Bless Shareholding and with the 246,924,406 Consolidated Shares held by Gold Bless until further order or the conclusion of the Gold Bless Litigation.

3. *Mr. Liu is an executive Director. These 62,865,000 Consolidated Shares deemed to be interested by Mr. Liu comprised (a) 22,865,000 Consolidated Shares held by Mr. Liu personally; and (b) 40,000,000 Consolidated Shares held by Smoothly Good, a controlled corporation wholly-owned by Mr. Liu. Under class (6) of the definition of “acting in concert” of the Takeovers Code, directors of a company (together with their close relatives, related trusts and companies controlled by such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent are presumed to be acting in concert with others in the same class unless the contrary is established. As such, Mr. Liu is presumed to be acting in concert with the Offeror under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until the close of the Offers.*

INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror” in the “Letter from Astrum” contained in this Composite Document.

FUTURE INTENTIONS OF THE OFFEROR AND THE BOARD REGARDING THE GROUP

Your attention is drawn to the section headed “Future intentions of the Offeror regarding the Group” in the “Letter from Astrum” as set out in this Composite Document. The Board is aware of the intentions of the Offeror in respect of the Group, and is willing to render reasonable cooperation with the Offeror which is in the interests of the Company and the Shareholders as a whole. The Board is pleased to learn that the Offeror intends to continue the existing businesses of the Group and that the Offeror has no intention to discontinue the employment of any employees of the Group, change the composition of the Board and dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business.

As at the Latest Practicable Date, the Board had no intention to enter nor had entered into any agreement, arrangement or understanding to (a) acquire and/or develop any new business; and (b) dispose of or downsize any existing principal businesses and/or any significant fixed assets which are material to the existing operation of the Group other than in the ordinary course of business.

NO CHANGE OF BOARD COMPOSITION OF THE COMPANY

The Board is currently made up of six Directors, comprising three executive Directors, namely, Mr. Yu, Mr. Chen Hanhong and Mr. Liu and three independent non-executive Directors, namely, Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin. As at the Latest Practicable Date, the Offeror had no plan to change the composition of the Board.

LETTER FROM THE BOARD

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUES OF THE COMPANY

As stated in the “Letter from Astrum”, the Offeror intends to maintain the listing of the Consolidated Shares on the Stock Exchange after the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Consolidated Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Consolidated Shares; or (ii) there are insufficient Consolidated Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend dealings in the Consolidated Shares.

In order to ensure that within a reasonable period after the close of the Offers, there will be not less than 25% of the Company’s total number of issued Consolidated Shares held by the public, the Offeror and the Board have undertaken to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offers to ensure that at least 25% of the total number of issued Consolidated Shares will be held by the public.

RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Board Committee” set out on pages 31 to 32 of this Composite Document and the “Letter from the Independent Financial Adviser” set out on pages 33 to 59 of this Composite Document, which contain, among other things, their advice in relation to the Offers and the principal factors considered by them in arriving at their recommendation.

ADDITIONAL INFORMATION

Your attention is also drawn to the “Letter from Astrum” and the additional information contained in the appendices to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,
By order of the Board
Green International Holdings Limited
Liu Dong
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

10 April 2019

To the Offer Shareholders, the Optionholders and the Offer CB Holders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
ASTRUM CAPITAL MANAGEMENT LIMITED
ON BEHALF OF
JUMBO FAITH INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND
ALL THE OUTSTANDING CONVERTIBLE BONDS OF
GREEN INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE AGREED TO BE ACQUIRED BY
JUMBO FAITH INTERNATIONAL LIMITED) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
GREEN INTERNATIONAL HOLDINGS LIMITED**

We refer to the composite document dated 10 April 2019 jointly issued by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Composite Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Offer Shareholders, the Optionholders and the Offer CB Holders as to whether or not the terms of the Offers are fair and reasonable and to make a recommendation as to acceptance of the Offers. Red Sun has been appointed by the Company and approved by us as the Independent Financial Adviser to advise us in this regard.

We draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Offers, taking into account the information contained in this Composite Document and the advice of the Independent Financial Adviser and, in particular, the factors and reasons considered by, and recommendations of, Red Sun as set out in its letter of advice, we are of the opinion that (i) the terms of the Share Offer (including the Share Offer Price) are fair and reasonable so far as the Offer Shareholders are concerned; (ii) the terms of the Option Offer (including the offer price of the Adjusted Share Options) are fair and reasonable so far as the Optionholders are concerned; and (iii) the terms of the CB Offer (including the offer prices of the Adjusted Convertible Bonds) are not fair and reasonable so far as the Offer CB Holders (excluding Non-accepting Securities Holders) are concerned. Accordingly, we recommend the Offer Shareholders and the Optionholders to accept the Share Offer and the Option Offer, respectively, and do not recommend the Offer CB Holders (excluding Non-accepting Securities Holders) to accept the CB Offer.

The Offer Shareholders, the Optionholders and the Offer CB Holders are recommended to read the full text of the letter from the Independent Financial Adviser on pages 33 to 59 of this Composite Document. Notwithstanding our recommendation, the Offer Shareholders, the Optionholders and the Offer CB Holders are strongly advised that the decision to realise or to hold their investment in the Consolidated Shares, the Share Options and/or the Adjusted Convertible Bonds (as the case may be) is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offers and consult their own professional advisers if in doubt before deciding whether or not to accept the Offers.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Wu Hong
*Independent non-executive
Director*

Mr. David Tsoi
*Independent non-executive
Director*

Mr. Wang Chunlin
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee for inclusion in the Composite Document.



红日资本有限公司

RED SUN CAPITAL LIMITED

10 April 2019

To: The Independent Board Committee of Green International Holdings Limited

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
ASTRUM CAPITAL MANAGEMENT LIMITED ON BEHALF OF
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES AND ALL
THE OUTSTANDING CONVERTIBLE BONDS OF THE COMPANY
(OTHER THAN THOSE AGREED TO BE ACQUIRED BY
JUMBO FAITH INTERNATIONAL LIMITED) AND TO CANCEL ALL THE
OUTSTANDING SHARE OPTIONS OF THE COMPANY**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in connection with the Offers, details of which are set out in this composite document dated 10 April 2019 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As set out in the “Letter from Board” contained in the Composite Document (the “**Letter from the Board**”), upon the Subscription Completion, the shareholding of the Offeror increased from nil to approximately 51.2% of the issued share capital and total voting rights of the Company, while the shareholding of the Offeror and parties acting in concert with it (excluding Mr. Liu) increased from approximately 34.4% to approximately 68.0% of the issued share capital and total voting rights of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory general offer for all the issued Shares and all the outstanding convertible bonds of the Company (other than those agreed to be acquired by the Offeror) and to cancel all the outstanding Share Options.

As set out in the Letter from Board, as at the Latest Practicable Date, the Company had 1,473,266,145 Consolidated Shares in issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from Board, as at the Latest Practicable Date, there were 3,500,000 outstanding Adjusted Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 3,500,000 Consolidated Shares (equivalent to 14,000,000 Pre-consolidation Shares prior to the Share Consolidation) at an exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Share Consolidation) on or before 10 May 2022.

As set out in the Letter from Board, as at the Latest Practicable Date, the Company had outstanding Adjusted Convertible Bonds with an aggregate principal amount of HK\$205,671,875 convertible into 294,237,132 Consolidated Shares.

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Wu Hong, Mr. David Tsoi, and Mr. Wang Chunlin, was established by the Board for the purpose of advising the Offer Shareholders, the Offer CB Holders and the Optionholders on the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers.

All the non-executive Directors comprising the Independent Board Committee have no direct or indirect interest or involvement in the Offers, and are considered appropriate for joining as members of the Independent Board Committee to advise the Offer Shareholders, the Optionholders and the Offer CB Holders as to the terms and acceptance of the Offers.

We, Red Sun Capital Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offers. Our appointment has been approved by the Independent Board Committee. Our role as the Independent Financial Adviser is to give our recommendation to the Independent Board Committee, the Offer Shareholders, the Offer CB Holders and the Optionholders as to (i) whether the terms of the Offers are fair and reasonable so far as the Offer Shareholders, the Offer CB Holders and the Optionholders are concerned; and (ii) whether the Offers should be accepted.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company for three times. The date of the relevant circular and our letter of advice was 28 February 2018 and the nature of the transactions was a connected transaction relating to the convertible bond subscription agreement entered into between the Company and Hong Kong Sheen Smile International Investment Limited dated 26 January 2018. The date of another relevant circular and our letter of advice was 28 December 2018 and the nature of the transactions was a connected transaction relating to the non-exercise of the right to sell and require Mr. Chung Sum Sang and Ms. Eva Au to buy back Rainbow Star Global Limited at a consideration which is equivalent to the consideration already paid by the Company. The date of the third relevant circular and our letter of advice was 1 March 2019 and the nature of the transactions was a connected transaction involving subscription of Shares under Specific Mandate and the proposed utilization of approximately HK\$31 million out of the proceeds payable by the Subscriber for the Subscription

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Consolidated Shares to repay the loan facility granted by Hong Kong Sheen Smile International Investment Limited which constitutes a special deal under Rule 25 of the Takeovers Code. We also acted as the independent financial adviser in relation to reviewing and certifying the adjustments to other securities of the Company as a result of the Share Consolidation, details of which are set out in the announcement of the Company dated 1 March 2019. Apart from the abovementioned roles, we have not acted in any other capacity for the Company in the past two years.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to the Listing Rules and the Takeovers Code to act as the Independent Financial Adviser to the Independent Board Committee in respect of the Offers.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion to the Independent Board Committee, the Offer Shareholders, the Offer CB Holders and the Optionholders, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the representations made to us by the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeovers Code.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any statement contained in the Composite Document misleading.

Offeror and parties acting in concert with it jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (relating to the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any statement contained in the Composite Document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

In relation to the Offers, we have not considered the specific investment objectives, financial situation and particular needs, as well as the tax and regulatory implications on the Offer Shareholders, the Optionholders and the Offer CB Holders of their acceptance or non-acceptance of the Offers since these are particular to their individual circumstances. This letter is not to be relied upon in substitution for the exercise of independent judgment by the Offer Shareholders, the Optionholders and the Offer CB Holders. In particular, the Offer Shareholders, the Optionholders and the Offer CB Holders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Also, the Offer Shareholders, the Optionholders and the Offer CB Holders who are subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offers and, if in any doubt, should consult their own professional advisers.

PRINCIPAL TERMS OF THE OFFERS

As set out in the Letter from the Board, the Offers are made by Astrum, for and on behalf of the Offeror, in accordance with the Takeovers Code on the following basis:

1. The Share Offer

For each Offer Consolidated Share HK\$0.212 in cash

The Share Offer is extended to all Offer Shareholders in accordance with the Takeovers Code.

The Share Offer Price of HK\$0.212 per Offer Consolidated Share is equal to the Subscription Price per Subscription Consolidated Share under the Subscription Agreement, which was arrived at after arm's length negotiations between the Company and the Offeror with reference to the market price of the Shares and the then-prevailing market conditions at the time of the Subscription.

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The Offer Consolidated Shares to be acquired under the Share Offer shall be fully-paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of dispatch of the Composite Document.

2. The Option Offer

For cancellation of each Adjusted Share Option HK\$0.001 in cash

None of the Optionholders is acting in concert with the Offeror, nor have any of them undertaken not to accept the Offers. The Option Offer is extended to all Optionholders in accordance with the Takeovers Code.

As the exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Share Consolidation) for the Adjusted Share Options is above the Share Offer Price, the Adjusted Share Options are out-of-money and the offer price for each Adjusted Share Option is a nominal value of HK\$0.001.

Following acceptance of the Option Offer, the relevant Adjusted Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

3. The CB Offer

- | | |
|--|--------------------|
| (i) For every HK\$1 face value of the Adjusted Qianhai 2016 CB | HK\$0.1767 in cash |
| (ii) For every HK\$1 face value of the Adjusted 3rd Ample Reach CB | HK\$0.3029 in cash |
| (iii) For every HK\$1 face value of the Adjusted HK Yinger CB | HK\$0.3118 in cash |
| (iv) For every HK\$1 face value of the Adjusted Zheyin Tianqin CB | HK\$0.3118 in cash |

The CB Offer is extended to all Offer CB Holders in accordance with the Takeovers Code.

The Adjusted Convertible Bonds to be acquired under the CB Offer shall be fully-paid and free from all Encumbrances of any nature and together with all rights now or hereafter attaching or accruing to them, including the right to all dividends, interests and other distributions (if any) declared, made or paid on or after the date of dispatch of this Composite Document.

The CB Offer applies to the outstanding Adjusted Convertible Bonds in issue on the date of this Composite Document and do not apply to any Adjusted Convertible Bonds which are or have been converted into Consolidated Shares prior to the close of the CB Offer.

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The above offer prices for the relevant Adjusted Convertible Bonds are determined in accordance with Rule 13 of the Takeovers Code as the “see-through” consideration for each relevant Adjusted Convertible Bonds, being the number of Consolidated Shares into which the relevant Adjusted Convertible Bonds are convertible multiplied by the Share Offer Price.

Under the terms of the Charm Eastern Acquisition and the deed of undertaking (the “**Charm Eastern Acquisition Undertaking**”) dated 10 September 2018 entered into by Ample Reach and its guarantors in favour of the Company (as disclosed in the Company’s announcement dated 10 September 2018), the 2nd Ample Reach CB, the 3rd Ample Reach CB and the 1st Ample Reach CB Conversion Shares were put in escrow with the Company pending the determination of the extent of satisfaction of the second and third profit guarantee of Charm Eastern Acquisition. As disclosed in the Company’s announcement dated 29 March 2019, as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, the Adjusted 2nd Ample Reach CB was forfeited by the Company in accordance with the terms of the Charm Eastern Acquisition and the 2nd Ample Reach CB, and the Company shall be entitled to appoint a placing agent to sell the 1st Ample Reach CB Conversion Shares and to retain the entire sale proceeds as liquidated damages in accordance with the terms of the Charm Eastern Acquisition Undertaking. Furthermore, the vesting of the Adjusted 3rd Ample Reach CB is still subject to the determination of the level of satisfaction (or failure) of the third profit guarantee in respect of the profit measurement period for the six months ending 30 June 2019. To avoid any unnecessary controversy as to the eligibility of acceptance of the Offers regarding the 1st Ample Reach CB Conversion Shares, the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB, Ample Reach has given the Ample Reach Irrevocable Undertaking as detailed in the paragraph below.

4. Irrevocable Undertakings

As set out in the Letter from the Board, as at the Latest Practicable Date, Mr. Liu (an executive Director who is presumed to be acting in concert with the Offeror under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until the close of the Offers), through himself and Smoothly Good (a company wholly-owned by Mr. Liu), collectively held 62,865,000 Consolidated Shares, representing approximately 4.27% of the total issued share capital of the Company. Mr. Liu and Smoothly Good have given the Mr. Liu Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the Share Offer to be made by the Offeror, and that, from the date of the Mr. Liu Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Consolidated Shares held by them or any interest in any of the Consolidated Shares held by them, or otherwise make any of such Consolidated Shares available for acceptance.

As set out in the Letter from the Board, as at the Latest Practicable Date, Ample Reach had 19,531,250 Consolidated Shares (the “**1st Ample Reach CB Conversion Shares**”), representing approximately 1.33% of the total issued share capital of the Company, registered in its name (but having been put in escrow with the Company and now being liable to be sold by the Company in compensation of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company’s announcement dated 29 March 2019) and still held the Adjusted 3rd Ample Reach

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CB (after the Company resolved to forfeit the Adjusted 2nd Ample Reach CB was resolved by the Company to be liable to be forfeited as a result of the failure of the second profit guarantee of Charm Eastern Acquisition, as disclosed in the Company's announcement dated 29 March 2019). Ample Reach and its owner and controller, Mr. Huang, have given the Ample Reach Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the Offers to be made by the Offeror, and that, from the date of the Ample Reach Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Consolidated Shares held by Ample Reach, the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB, or in fact any Consolidated Shares or interest in Consolidated Shares held by them (if any), nor will they convert the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB into Consolidated Shares or otherwise make any of such Consolidated Shares, the Adjusted 2nd Ample Reach CB and the Adjusted 3rd Ample Reach CB available for acceptance. The Company has given the Green International Irrevocable Undertaking, pursuant to which the Company has irrevocably undertaken to the Offeror that the Company will not accept the Offers, will continue to keep the 1st Ample Reach CB Conversion Shares in escrow until the close of the Offers and will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the 1st Ample Reach CB Conversion Shares or otherwise make any of the 1st Ample Reach CB Conversion Shares available for acceptance until the close of the Offers.

As set out in the Letter from the Board, as at the Latest Practicable Date, Fluent Robust (a wholly-owned subsidiary of HK Yinger, which in turn is a controlled corporation of Mr. Yu who is presumed to be acting in concert with the Offeror) is the holder of the HK Yinger CB. Mr. Yu, HK Yinger and Fluent Robust have given the HK Yinger Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the CB Offer and that, from the date of the HK Yinger Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of the Adjusted HK Yinger CB, or in fact any Consolidated Shares or interest in Consolidated Shares held by them (if any), nor will they convert the Adjusted HK Yinger CB into Consolidated Shares or otherwise make the Adjusted HK Yinger CB available for acceptance.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Offers, we have considered the following principal factors and reasons:

1. **Background and financial information of the Group**

The Group is principally engaged in health and medical services, beauty and wellness services, and integrated financial services comprising money-lending, securities brokerage, advising on securities and asset management. Set out below is the key financial results of the Group for the year ended 31 December 2016, 2017 and 2018 as extracted from (i) the annual report of the Company for

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the year ended 31 December 2017 (the “2017 Annual Report”); and (ii) the result announcement of the Company for the year ended 31 December 2018 (the “2018 Annual Results Announcement”):

	For the year ended 31 December			2017 VS 2018	2016 VS 2017
	2018	2017	2016	Change	Change
	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>%</i>	<i>%</i>
Revenue	82,092	54,320	46,960	51.1	15.7
— Health and medical business	37,061	16,180	11,237	129.1	44.0
— Trading business	—	—	2,450	Not applicable	(100.0)
— Beauty wellness business	44,858	38,089	33,273	17.8	14.5
— Financial business	173	51	—	239.2	Not applicable
Gross profit	54,134	44,501	38,147	21.7	16.6
(Loss) for the year/ period	(78,154)	(322,239)	(132,943)	(75.7)	142.4

For the years ended 31 December 2016 and 2017

The Group recorded revenue of approximately HK\$54.3 million for the year ended 31 December 2017, representing an increase of approximately 15.7% as compared to revenue of approximately HK\$47.0 million for the year ended 31 December 2016. According to the 2017 Annual Report, the increase in revenue was attributable to (i) the increase in revenue generated from the Group’s health and medical business, which was mainly due to the launch of promotion and business development campaigns and the implementation of cost-control policies by the Group’s clubhouse business in Shenzhen since June 2017; (ii) the increase in revenue generated from the Group’s beauty wellness business; and (iii) partially offset by the absent of revenue generated from trading business due to the reallocation of resources of the Group.

The Group recorded loss for the year ended 31 December 2017 of approximately HK\$322.2 million, representing an increase of approximately 142.4% as compared to loss for the year ended 31 December 2016 of approximately HK\$132.9 million. Such loss was mainly attributable by (i) the operating loss from the beauty and wellness business in the amount of approximately HK\$51.9 million, which includes the impairment loss of trademark user right and technical know-how of approximately HK\$62.4 million; (ii) the impairment loss of loan and interest receivables of approximately HK\$30.6 million; (iii) the impairment loss of promissory notes receivables of approximately HK\$165.6 million and the change in fair value of call options in the amount of approximately HK\$11.0 million; and (iv) impairment loss of prepayments and other receivables of approximately HK\$7.8 million.

As at 31 December 2017, the Group recorded (i) bank and cash balance of approximately HK\$26.5 million, representing an increase of approximately 7.9% as compared to HK\$24.5 million as at 31 December 2016; (ii) net current liability of approximately HK\$169.8 million, as compared to net current asset of HK\$148.1 million as at 31 December 2016; and (iii) total equity of approximately

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negative HK\$80.1 million, as compared to total equity of approximately HK\$244.8 million as at 31 December 2016. Such decrease in total equity was mainly attributable to the combined effect of (i) the increase in loan from a related company of approximately HK\$101.8 million; and (ii) the decrease in promissory note receivables of approximately HK\$154.2 million.

For the years ended 31 December 2017 and 2018

The Group recorded revenue of approximately HK\$82.1 million for the year ended 31 December 2018, representing an increase of approximately 51.1% as compared to revenue of approximately HK\$54.3 million for the year ended 31 December 2017. According to the 2018 Annual Results Announcement, the increase in revenue was attributable to (i) the increase in revenue generated from the Group's health and medical business, which was mainly due to the contribution to the revenue from the acquisition of the of 70% equity interest of Li County Phoenix Hospital Company Limited and Yiyang Zizhong Kidney Disease Hospital Company Limited on 31 January 2018 (the "**Hospital Acquisition**"); and (ii) the increase in revenue generated from the Group's beauty wellness business.

The Group recorded loss for the year ended 31 December 2018 of approximately HK\$78.2 million, representing a decrease of approximately 75.7% as compared to loss for the year ended 31 December 2017 of approximately HK\$322.2 million. Such loss was mainly attributable to (i) the operating loss from the health and medical business of approximately HK\$37.6 million, which includes the impairment loss of Goodwill of approximately HK\$17.8 million; (ii) decrease in fair value of derivative financial assets of approximately HK\$28.7 million; and (iii) net finance costs of approximately HK\$13.5 million.

As at 31 December 2018, the Group recorded (i) bank and cash balance of approximately HK\$52.9 million, representing an increase of approximately 100.0% as compared to HK\$26.5 million as at 31 December 2017; (ii) net current liabilities of approximately HK\$2.9 million, as compared to net current liabilities of HK\$169.8 million as at 31 December 2017; and (iii) total equity of approximately HK\$98.3 million, as compared to total equity of approximately negative HK\$80.1 million as at 31 December 2017. Such movement in total equity was mainly attributable to the combined effect of (i) the increase in property, plant and equipment of approximately HK\$43.4 million; (ii) the goodwill of approximately HK\$36.4 million; (iii) the increase in bank balance (general account) and cash of approximately HK\$26.5 million; (iv) the decrease in loan from a related company of approximately HK\$71.0 million; and (v) the decrease in other payables, accruals and deposits receive of approximately HK\$13.6 million.

As set out in the 2017 Annual Report, the auditors of the Company issued disclaimer of opinion in the independent auditors' report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2017. In relation to the impairment losses and uncertainties on opening balances, as set out in the 2017 Annual Report, as disclosed in paragraphs (a) to (f) of the independent auditors' report, the auditors have been unable to obtain sufficient appropriate audit evidence to satisfy themselves as to whether the opening balances of the loan receivables, the promissory note receivables, the prepayment, deposits and other receivables, the call option derivative financial instrument, and the trademark user right and the technical know-how intangible assets as at 1 January 2017 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017 (the "**Relevant Matters**").

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The Company underwent significant changes in directorship and management personnel in or around June 2017, including the stepping down of the ex-Chairman and the appointment of the new Chairman, and the change of other directors and key financial, accounting, administrative and operation management roles. After taking over the Company's books and records left behind by the previous management, the new management decided to conduct a thorough review of the Group's operations and key assets and liabilities items with the view to enhancing enterprise efficiency and stopping losses. On key balance sheet items which have arisen as a result of acquisitions made under the decisions of the previous management, the new management and the new Board are determined to take a prudent approach in assessing recoverability and assumption making during impairment testing, with which the audit committee concurred.

So far as overdue receivables are concerned, the new management has taken actions since the second half of 2017 to seek to recover them by sending demand letters to the debtors to demand immediate repayment. For the majority of receivables which remain overdue despite repeated demands, the Company has engaged legal advisers to commence legal actions against the defaulting debtors. As the new management cannot ascertain the financial viability of the debtor counterparties, the Management is of the view that they should take a prudent approach to make full provision of these overdue receivables, with which the audit committee concurred.

During the audit process of the Company's financial statements for the year ended 31 December 2017, the Company has carried out steps to assist the auditors of the Company, HLB Hodgson Impey Cheng Limited ("HLB"), in performing the audit work. To the extent the existing management can identify such documents in the books and records left behind by the previous management, documents evidencing the existence of the relevant receivables (such as the relevant agreements, memoranda signed by previous management on the purposes of loans, payment evidence, demand letters and Court documents) were provided to HLB. However, the existing management cannot locate sufficient appropriate evidence (such as financial statements, assets and liabilities breakdown analyses, income projections, asset fortification, personal/corporate guarantee, and/or signed repayment schedules of the debtor counterparties) to assess the recoverability of the receivables at the opening of the period ended 31 December 2017, nor did the existing management successfully procure audit confirmations as required by the auditors, resulting in uncertainties on the opening balance of the recoverable amounts and the exact timing of impairment of such receivables in the view of the Management with which the audit committee concurred.

So far as the trademark user right and technical know-how intangible assets which belonged to the cash generating unit ("CGU") represented by the beauty and wellness business are concerned, the Management reviewed the latest financial figures and business projections provided by the subsidiary level management of the relevant CGU. The recoverable amount of the CGU was determined as its value in use, which was measured based on a five-year profit forecast provided by the subsidiary level management which was reviewed by the Management. The Management then engaged an independent valuer to conduct a valuation on the relevant CGU to assess the recoverable amount for impairment testing purpose. As the beauty and wellness business does not perform as well as the vendors previously projected to the Company, an impairment loss was then recorded to the extent the carrying value exceeds the recoverable amount. The audit committee concurred with the approach adopted by the Management regarding the impairment on these intangible assets.

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The Company included an extract of the auditors' report in the 2018 Annual Results Announcement, regarding the bases for qualified opinion to be given by the auditors of the Company on the consolidated financial statements of the Group for the year ended 31 December 2018, because of the possible effects of the Relevant Matters on the comparability of the current year's figures and the corresponding figures. In addition, the Group incurred a loss attributable to the owners of the Company of approximately HK\$79,454,000 for the year ended 31 December 2018, and its current liabilities were in excess of its current assets by an amount of approximately HK\$2,865,000 as at 31 December 2018. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, the validity of which is dependent upon future funding available at a level sufficient to finance the working capital requirements of the Company.

The Management will try its best to uphold the Company's legal rights and remedies through Court actions against the relevant defaulting parties. In relation to the material uncertainty relating to the going concern basis, as set out in the 2018 Annual Results Announcement, the Directors adopted the going concern basis in the preparation of the consolidated financial statements and implemented measures in order to improve the working capital and liquidity and cash flow position of the Group. In particular, the Company has on 25 January 2019 (after trading hours) entered into the Subscription Agreement with the Subscriber regarding the allotment and issue of 754,716,981 Subscription Consolidated Shares at the subscription price of HK\$0.212 per Subscription Consolidated Share, raising net proceeds of HK\$156 million on its completion. In addition, the Company is in ongoing negotiations with banks, financial institutions, professional investors and our existing shareholders and creditors with the view to raising additional funds for the Group, whether by way of debt, equity or otherwise, and is generally optimistic on its capability in raising additional funds.

After considering the management's presentation on the measures taken by the Group especially those subsequent to the financial period end as explained above, the Company's audit committee concurred with the going concern presentation of the consolidated financial statements for the year ended 31 December 2018 as adopted by the Management. The Management made and will continue to make efforts to explore various fund alternatives of raising more funding by way of equity or debt with the view to continuously improving the Group's financial position and addressing the material uncertainty on the Group's going concern.

Please refer to the 2018 Annual Results Announcement for further details on the qualified opinion.

Material change subsequent to the latest balance sheet date

As disclosed in the section headed "Material change" in Appendix II of the Composite Document ("**Material Change Section**"), it is noted that there is a material change in the financial or trading position or outlook of the Company since 31 December 2018 (being the date to which the latest published audited accounts of the Company were made up) up to and including the Latest Practicable Date, which is the entering into and completion of the Subscription Agreement, which upon its

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completion on 3 April 2019 has raised net proceeds of approximately HK\$156 million and resulted in an increase in the bank balance and cash by approximately HK\$125 million and a reduction of liabilities of approximately HK\$31 million due to the set-off of the outstanding principal and interest of HK Yinger Loan Facility. For details of the above, please refer to the Material Change Section.

2. Prospects and outlook of the Group

According to the National Bureau of Statistics (<http://www.stats.gov.cn>), the total urban population in the PRC increased from approximately 731.1 million in 2013 to approximately 813.5 million in 2017, representing approximately 58.5% of the total population in the PRC as at 31 December 2017. During the period between 2013 and 2017, the average disposable income per capita of the PRC increased from approximately RMB18,311 to approximately RMB25,974, representing a CAGR of approximately 9.1%, while the average consumption expenditure per capita of the PRC increased from approximately RMB13,220 to approximately RMB18,322, representing a CAGR of approximately 8.5%. As a result of rapid economic growth and the gradual improvement in living standards, residents become more health conscious and are willing to increase their leisure spending, and accordingly, the beauty and wellness industry in the PRC has been expanding rapidly in recent years. However, according to the statistics published in website of the World Bank (<http://www.worldbank.org>), an international financial institution that provides loans to countries of the world for capital projects, the annual growth rate of Gross Domestic Product of the PRC demonstrated a downward trend in the recent years, as evidence by the decrease from approximately 7.8% in 2013 to approximately 6.9% in 2017.

On the other hand, according to the “China Beauty and Hairdressing Development Report (中國美容美髮行業發展報告)” prepared by the Ministry of Commerce of the PRC (<http://www.mofcom.gov.cn/>), the total revenue of beauty and hairdressing business in the PRC increased from approximately RMB264.6 billion in 2013 to approximately RMB312.9 billion in 2016, representing a CAGR of approximately 5.8%. With the support of various governmental policies, such as “tax and fee reduction (減稅降費)”, “reform of the supply side (供給側改革)” and promotion of “public entrepreneurship, innovation by the public (大眾創業、萬眾創新)”, the quality and efficiency of the beauty and hairdressing business have been improved. According to a research conducted by Qianzhan Industry Institute (前瞻產業研究院), the total revenue of beauty and hairdressing business in the PRC is expected to continue to grow from approximately RMB323 billion in 2017 to approximately RMB500 billion in 2020, representing a CAGR of approximately 5.8%.

Qianzhan Industry Institute (前瞻產業研究院) is a wholly-owned subsidiary of 深圳前瞻資訊股份有限公司 (Qianzhan Intelligence Co., Ltd.*), whose shares are quoted on the National Equities Exchange and Quotations in China (stock code: 839599). Qianzhan Intelligence Co., Ltd. was principally engaged in provision of (i) market research reports and database marketing services; and (ii) management advice for corporation improvement and operation enhancement.

Due to the fact that the Group recorded loss since the year ended 31 December 2013, as set out in the 2017 Annual Report, since June 2017, the new management has been conducting an internal review of the Group’s operations and key assets and liabilities items, adopted cost-control measures with the view of stopping losses and increasing enterprise efficiency, and sought to strengthen the Group’s financial position through debt and equity fund-raising.

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As set out in the 2018 Annual Results Announcement, with respect to the segment of beauty and wellness services, being the largest segment in terms of revenue generated for the year ended 31 December 2017 and 2018, the Group is in ongoing process of negotiating with potential business partners with the view to opening new beauty and wellness centers in China. Subject to the materialization of these expansion plans, the Management is hoping to further improve the financial performance of this segment.

With respect to the segment of health, medical and related services, being the second largest segment in terms of revenue generated for the year ended 31 December 2017 and 2018, the revenue for the year ended 31 December 2018 increased following the acquisition of Li County Phoenix Hospital Company Limited and Yiyang Zizhong Kidney Disease Hospital Company Limited.

Chronic kidney disease has become a major public health concern in China and worldwide. With the inclusion of hemodialysis treatment within the national medical insurance coverage in China and the policy change to encourage private sector investment in hemodialysis treatment centers and hospital, there is a strong demand for high quality hemodialysis service providers in China. According to the synopsis of a research report on the hemodialysis industry in the PRC (<https://www.prnewswire.com/news-releases/china-hemodialysis-industry-research-report-2011-2020-foreign-capital-brands-accounted-for-80-of-the-market-share-in-2015-research-and-markets-300283756.html>) carried by Research and Markets (<http://www.researchandmarkets.com>), one of the world's largest market research firm with research teams across over 80 countries, the hemodialysis market of China exceeded the size of RMB20 billion in 2015 and is expected to hit RMB50 billion by 2020.

However, with the effort of the Management as discussed above, the Company still recorded loss of approximately HK\$132.9 million, HK\$322.2 million and HK\$78.5 for the year ended 31 December 2016, 2017 and 2018, respectively. In addition, the Company recorded net current liabilities of approximately HK\$169.8 million and HK\$2.8 million as at 31 December 2017 and 2018, respectively.

Taking into consideration the factors as mentioned above, we are of the opinion that there remains uncertainty in the future performance of the Group.

3. Background information of the Offeror

Jumbo Faith International Limited is a company incorporated in the British Virgin Islands with limited liability. The Offeror was newly incorporated on 9 January 2019 and has not engaged in any business activities save and except the entering into of the Subscription Agreement. Upon Subscription Completion and as at the Latest Practicable Date, the Offeror held 754,716,981 Consolidated Shares, representing approximately 51.2% of the issued share capital of the Company. As at the Latest Practicable Date, the entire issued share capital of the Offeror is wholly-owned by Ms. Zhou, who is the spouse of Mr. Yu, an executive Director and the chairman of the Board.

As set out in the Letter from the Board, Ms. Zhou, aged 56, is the sole director of the Offeror. She is an entrepreneur and has over 20 years of business management and operation experience in fashion industry in the PRC. She is one of the founders of Yinger Fashion Group, which is principally engaged in the design, production, marketing and sale of high-end female fashion products under its own well-known brands with over 1,000 retail stores in the PRC.

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As set out in the Composite Document, Mr. Yu, aged 54, was appointed as an executive Director on 5 September 2013, the Chairman of the Board on 6 June 2017, the chairman of the nomination committee of the Company on 7 June 2017 and a member of the remuneration committee of the Company on 14 June 2017. He was a member of the Standing Committee of the Shenzhen Committee of Chinese Peoples' Political Consultative Conference during the fourth and fifth sessions from 2005 to 2015. He is the founder of Yinger Fashion Group and has over 25 years of operation and management experience in garment and fashion industries. He is an uncle of Ms. Yu Jiaoli, a former non-executive Director who resigned on 13 July 2018. Based on the disclosure of interests filing available to the Company, Mr. Yu regarded himself to be deemed, pursuant to Part XV of the SFO, to be interested in (a) 246,924,407 Shares (representing 34.36% of the total issued share capital of the Company) held by Gold Bless, a company which is regarded as a controlled corporation of Mr. Yu; (b) 176,470,488 underlying Shares attributed to the HK Yinger CB held by Fluent Robust (a wholly-owned subsidiary of HK Yinger) which is regarded as a controlled corporation of Mr. Yu. Mr. Yu is also a director of HK Yinger Yinger; and (c) 754,716,981 Subscription Consolidated Shares allotted and issued to the Subscriber (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription. Mr. Yu is also a director of HK Yinger.

As set out in the Composite Document, upon the Subscription Completion, the Offeror intends to continue the existing businesses of the Group. The Offeror has no intention to discontinue the employment of any employees of the Group, change the composition of the Board and dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business. In addition, the Offeror intends to maintain the listing of the Consolidated Shares on the Stock Exchange after the close of the Offers.

4. Evaluation of the Offer Price

We note that the Offer Price of HK\$0.212 per Offer Consolidated Share represents:

- (i) a premium of approximately 8.16% over the theoretical closing price of HK\$0.196 per Consolidated Share, based on the closing price of HK\$0.049 per Pre-consolidation Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.29% over the theoretical five-days' average closing price of HK\$0.1976 per Consolidated Share, based on the average closing price of HK\$0.0494 per Pre-consolidation Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;
- (iii) a premium of approximately 6.85% over the theoretical ten-days' average closing price of HK\$0.1984 per Consolidated Share, based on the average closing price of HK\$0.0496 per Pre-consolidation Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;
- (iv) a discount of approximately 21.48% to the closing price of HK\$0.270 per Consolidated Share as quoted on the Stock Exchange on the Latest practicable Date; and

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- (v) a premium of approximately 76.67% over the theoretical net asset value of HK\$0.120 per Consolidated Share, based on the net asset value per Pre-consolidation Share of approximately HK\$0.030 as at 31 December 2018 (please refer to note 1 below); and
- (vi) a premium of approximately 29.27% over the Adjusted NAV per Share of HK\$0.164, based on the Adjusted NAV of HK\$242,221,000 as at the Latest Practicable Date (please refer to the note 2 below).

Notes:

1. The calculations of the net asset value of approximately HK\$0.030 per Pre-consolidation Share are based on: (a) the Group's audited equity attributable to the equity holders of the Company of approximately HK\$86,221,000 as at 31 December 2018; and (b) a total of 2,874,196,656 issued Pre-consolidation Shares as at 31 December 2018.
2. The Adjusted NAV of the Company is calculated from the sum of (a) the audited equity attributable to the equity holders of the Company as at 31 December 2018 of approximately HK\$86,221,000; and (b) net proceeds in the approximate amount of HK\$156 million raised from the Subscription, divided by (c) a total of 1,473,266,145 issued Consolidated Shares as at the Latest Practicable Date.

We have reviewed the theoretical closing price per Consolidated Share (based on the closing price per Pre-consolidation Share prior to the Share Consolidation becoming effective on 4 March 2019) and closing price per Consolidation Shares (since 4 March 2019 when the Share Consolidation becoming effective) as quoted on the Stock Exchange for the twelfth-month period ended and including the Last Trading Day, together with the period commencing from the date immediately after the Last Trading Day up to and including the Latest Practicable Date (the “**Review Period**”):



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During the Review Period, the theoretical closing price per Consolidated Share (based on the closing price per Pre-consolidation Share prior to the Share Consolidation becoming effective on 4 March 2019) and the closing price per Consolidated Share (since 4 March 2019 when the Share Consolidation becoming effective) ranged from HK\$0.18 per Share to HK\$1.22 per Share. While the Share Offer Price is within such range of the theoretical closing price per Consolidated Share (based on the closing price per Pre-consolidation Share prior to the Share Consolidation becoming effective on 4 March 2019) and the closing price per Consolidated Share (since 4 March 2019 when the Share Consolidation becoming effective) during the Review Period, we note that the Share Offer Price represents:

- (a) a discount of approximately 34.5% to the average of the theoretical closing price per Consolidated Share for last six months up to and including the Last Trading Day, being approximately HK\$0.32 per Consolidated Share; and
- (b) a discount of approximately 64.9% to the average of the theoretical closing price per Consolidated Share for last 12 months up to and including the Last Trading Day, being approximately HK\$0.60 per Consolidated Share.

We consider that the comparison of the Share Offer Price with the prevailing theoretical closing price per Consolidated Share over the Review Period, is a more relevant analysis than the comparison with historical theoretical closing price per Consolidated Share over the past six to twelve months when determining the fairness and reasonableness of the Share Offer Price as the current market price of the Shares can directly reflect the value of shares in prevailing market conditions. We note that the Share Offer Price mostly represents a discount after comparing the Share Offer Price against the prevailing theoretical closing price per Consolidated Share as well as the historical theoretical closing price per Consolidated Share over the Review Period as indicated in the abovementioned analysis.

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b) *Trading liquidity of Shares*

We have reviewed the trading volume data in respect of the Pre-consolidation Shares/Consolidated Shares during the Review Period and up to the Latest Practicable Date as illustrated in the table below:

	Total trading volume for the month/period	Number of trading days in the month/ period	Average daily trading volume for the month/ period ^(Note 1)	Pre-consolidation Shares/ Consolidated Shares in issue as at the end of the relevant month/ period ^(Note 2)	Average daily trading volume as a percentage of the total number of Pre-consolidation Shares/ Consolidated Shares held by public as at the end of the relevant month/ period ^(Note 3)
	<i>Number of Pre-consolidation Share</i>		<i>Number of Pre-consolidation Share</i>	%	%
2018					
January (commencing from 25 January 2018)	7,287,800	5	1,457,560	0.074	0.099
February	36,546,361	18	2,030,353	0.103	0.138
March	133,196,062	21	6,342,670	0.281	0.388
April	23,019,802	19	1,211,569	0.054	0.074
May	30,921,500	21	1,472,452	0.063	0.090
June	25,923,000	20	1,796,150	0.077	0.110
July	19,183,850	21	913,517	0.039	0.056
August	12,027,500	23	522,935	0.022	0.032
September	17,025,700	19	896,089	0.037	0.055
October	28,390,191	21	1,351,914	0.056	0.083
November	78,497,500	22	3,568,068	0.148	0.218
December	153,523,000	19	7,132,789	0.248	0.436
2019					
January	20,624,000	18	1,145,778	0.040	0.070
February	395,123,454	16	24,695,216	0.859	1.510
March (up to 3 March 2019, i.e. prior to the Share Consolidation)	5,260,000	1	5,260,000	0.183	0.322

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	Total trading volume for the month/period	Number of trading days in the month/ period	Average daily trading volume for the month/ period ^(Note 1)	Shares in issue as at the end of the relevant month/ period ^(Note 2)	Average daily trading volume as a percentage of the total number of Pre-consolidation Shares/ Consolidated Shares held by public as at the end of the relevant month/ period ^(Note 3)
	<i>Number of Pre-consolidation Share</i>		<i>Number of Pre-consolidation Share</i>	<i>%</i>	<i>%</i>
	<i>Number of Consolidated Share</i>		<i>Number of Consolidated Share</i>	<i>%</i>	<i>%</i>
March (Since 4 March 2019 i.e. after Share Consolidation and up to Latest Practicable Date)	5,198,620 (equivalent to 20,794,480 Pre-consolidation Share prior to the Share Consolidation)	25	207,945 (equivalent to 831,779 Pre-consolidation Share prior to the Share Consolidation)	0.029	0.051
			Maximum	0.859	1.510
			Minimum	0.022	0.032
			Average	0.145	0.233
	(Excluding Feb 2019)		Maximum	0.281	0.436
	(Excluding Feb 2019)		Minimum	0.022	0.032
	(Excluding Feb 2019)		Average	0.097	0.148

Sources: The website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

1. Average daily trading volume of the Shares for the month equals to monthly total trading volume of the Pre-consolidation Shares/Consolidated Shares divided by number of trading days in the respective month.
2. Based on the monthly returns published by the Company on the website of the Stock Exchange, the total number of Pre-consolidation Shares in issue increased from 1,972,452,606 to 2,257,452,606 in March 2018, increased to 2,330,071,656 in May 2018, increased to 2,408,196,656 in September 2018, and increased to 2,874,196,656 in December 2018. The total number of Consolidated Shares in issue was 718,549,164 upon the Share Consolidation becoming effective on 4 March 2019.
3. Calculated based on total issued share capital of the Company held by public Shareholders in respective month-end during the Review Period or the Latest Practicable Date (as the case may be). Public Shareholders represent all Shareholders except (i) the Offeror and parties acting in concert with it; and (ii) all Directors and their respective associates.

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As illustrated from the table above, the average daily trading volume of the Shares during the Review Period and up to the Latest Practicable Date was generally thin. The lowest of the Group's average daily trading volume was approximately 522,935 Pre-consolidation Shares in August 2018 and the highest was approximately 24,695,216 Pre-consolidation Shares in February 2019. The average daily trading volume of the Pre-consolidation Shares falls in the range of approximately 0.022% to approximately 0.859% of the total number of issued Pre-consolidation Shares / Consolidated Shares as at the end of the relevant month/period with an average of approximately 0.145%. The average daily trading volume of the Pre-consolidation Shares / Consolidated Shares held by public falls in the range of approximately 0.032% to approximately 1.510% of the total number of issued Pre-consolidation Shares / Consolidated Shares held by public as at the end of the relevant month/period with an average of approximately 0.233%. It is noted that after the Joint Announcement published on 1 February 2019, the average daily trading volume of the Pre-consolidation Shares and Pre-consolidation Shares held by public increased to 0.859% and 1.510%, respectively, and the average daily trading volume increased to approximately 24,695,216 Pre-consolidation Shares during the month. As confirmed by the Directors, the Company was not aware of any events which would have led to such movement of the Share save for the announcement of the Offer. Excluding February 2019 being an outlier, the lowest of the Group's average daily trading volume was approximately 522,935 Pre-consolidation Shares in August 2018 and the highest was approximately 7,132,789 Pre-consolidation Shares in December 2018. The average daily trading volume of the Shares falls in the range of approximately 0.022% to approximately 0.281% of the total number of issued Shares as at the end of the relevant month/period with an average of approximately 0.097%. The average daily trading volume of the Shares held by public falls in the range of approximately 0.032% to approximately 0.436% of the total number of issued Shares held by public as at the end of the relevant month/period with an average of approximately 0.148%. As such, the trading of the Shares did not appear to be active during the Review Period.

Given the generally thin liquidity of the Shares during the Review Period and up to the Latest Practicable Date, it is uncertain as to whether there would be sufficient liquidity in the Consolidated Shares for the Offer Shareholders, to dispose of a significant number of the Consolidated Shares in the open market without depressing the price of the Consolidated Shares. We therefore consider that the Share Offer provides the Offer Shareholders with an assured exit if they wish to realise their investment in the Consolidated Shares.

c) *Market comparable analysis*

For the purpose of assessing the fairness and reasonableness of the Share Offer Price, we have considered the usage of price multiples analysis to further assess the fairness and reasonableness of the Share Offer Price. Given that health, medical and related services segment, and beauty, wellness and related services segment are the major sources of revenue of the Group (which account for approximately 45.2% and 54.6% of the revenue of the Company for the year ended 31 December 2018, respectively), it is logical that we should compare the Company with other listed companies in Hong Kong which are also principally engaged in similar businesses and generated majority of the revenue from the PRC. Nevertheless, we noted that the Group recorded loss since the year ended 31 December 2013 and considered that price-to-earning ratio analysis may not be meaningful.

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We further note from the 2018 Annual Results Announcement that non-current assets and intangible non-current asset (principally comprising goodwill and trademark user right and technical know-how) respectively contributed to approximately 64.4% and 40.0% of the total asset of the Company as at 31 December 2018. Given that the Group's businesses of the provision of health, medical and related services and beauty, wellness and related services are asset-light in nature, we consider that price-to-book analysis (which is generally more suitable for comparing companies that hold substantial non-current tangible assets) for the Company may not be meaningful.

We have conducted a research of the price-to-sales ratio (“P/S”) of the listed companies in Hong Kong which are (i) principally engaged in business related to provision of health and medical services as well as beauty and wellness services; and (ii) with majority of the revenue generated from Hong Kong, Macau and PRC (the “Greater China Area”). We identified an exhaustive list of eight comparable companies which companies fulfill the abovementioned selection criteria, and the P/S of the Group lies in between the P/S of the eight comparable companies and higher than the average of the eight comparable companies. We set out our findings in the table below:

Name and stock code	Business	Total revenue <i>HK\$ million</i>	Market capitalization as at Latest Practicable Date <i>HK\$ million</i>	P/S <i>(note 1)</i> <i>times</i>
Natural Beauty Bio-Technology Limited (Stock code: 157.HK)	(a) manufacturing and selling of skin care, beauty and aromatherapeutic products; and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training.	369.5	1,281.3	3.47
Bonjour Holdings Limited (Stock code: 653.HK)	(a) Retail and wholesale of beauty and health-care products; and (b) operation of beauty and health salons in Hong Kong, Macau and PRC.	1793.5	699.6	0.39
Modern Beauty Salon Holdings Limited (Stock code: 919.HK)	(a) Provision of beauty and wellness services and sales of skincare and wellness products.	599.0	179.1	0.30

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Name and stock code	Business	Total revenue HK\$ million	Market capitalization as at Latest Practicable Date HK\$ million	P/S <i>(note 1)</i> times
Water Oasis Group Limited (Stock code: 1161.HK)	(a) Distribution of skin care products in Hong Kong, Macau, Taiwan, Singapore and PRC; and (b) operation of a beauty salon, spa and medical beauty center in Hong Kong and the PRC.	708.4	639.7	0.90
Perfect Shape Medical Limited (Stock code: 1830.HK)	Provision of slimming and beauty services and the sales of slimming and beauty products in Hong Kong, the PRC and Macau.	906.3	2,851.3	3.15
Sau San Tong Holdings Limited (Stock code: 8200.HK)	(a) Distribution sale of cosmetic and skin care products; (b) provision of beauty and slimming services; (c) provision of franchise services, sale of health, beauty and related products, investments in securities; and (d) provision of money lending business.	2,608.0	158.4	0.06

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Name and stock code	Business	Total revenue <i>HK\$ million</i>	Market capitalization as at Latest Practicable Date <i>HK\$ million</i>	P/S <i>(note 1)</i> <i>times</i>
Miricor Enterprises Holdings Limited (Stock code: 8358.HK/1827.HK)	The group is a medical aesthetic service provider in Hong Kong and operates two medical aesthetic centres in the prime locations of Causeway Bay and Central under the group's brand "CosMax". The Group offers a broad range of non-surgical medical aesthetic services and skin care products to the group's clients with an aim to improve their skin conditions as well as to enhance their physical appearance. The Group's non-surgical medical aesthetic services can be broadly classified into (i) energy-based procedures; (ii) injection procedures; and (iii) other treatments.	127.2	568.0	4.47
Fameglow Holdings Limited Stock code: 8603.HK)	The group is a medical aesthetic service provider in Hong Kong and operate two medical aesthetic centres in prime locations of Causeway Bay and Tsim Sha Tsui under the group's brand "per Face" providing non-surgical medical aesthetic services.	88.7	456.0	5.14
			Maximum	5.14
			Minimum	0.06
			Average	2.23
The Company		82.1	312.3 <i>(note 2)</i>	3.80

1. The P/S of market comparable is calculated by dividing its market capitalisations as at the Latest Practicable Date by its 1 revenue based on its latest published results announcement.
2. Calculated based on the Share Offer Price of HK\$0.212 per Consolidated Share and 1,473,266,145 Consolidated Shares issued as at the Latest Practicable Date.

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Offer Shareholders should note that the above analyses are for information and reference only as, on a best effort basis. However, we consider that it would be beneficial to give the Offer Shareholders an idea on companies that share certain similarities with the Company. In addition, we have not conducted any in-depth investigation into the businesses and operations of the comparable companies stated hereinabove nor analysed their respective financial information.

5. The Option Offer

Pursuant to Rule 13 of the Code, the Offeror is also required to make the Option Offer. As at the Latest Practicable Date, there are 3,500,000 outstanding Share Options conferring the rights to the Optionholders to subscribe for an aggregate of 3,500,000 Consolidated Shares (equivalent to 14,000,000 Pre-consolidation Shares prior to the Share Consolidation) at an exercise price of HK\$1.28 per Consolidated Share (adjusted from the exercise price of HK\$0.32 per Pre-consolidation Share prior to the Share Consolidation) on or before 10 May 2022. In order to assess the fairness and reasonableness on the terms of the Option Offer, we have made reference to Rule 13 of the Takeovers Code. According to Rule 13 of the Takeovers Code, the consideration under any offer in relation to options will be considered appropriate if it is based on the offer price for the relevant equity share capital and such “see-through” price should be regarded as the minimum offer price. The “see-through” value of each Option would be the difference between the Share Offer Price and the exercise price of each Option. For out-of-the-money Options (i.e. exercise prices of these Options are higher than the Share Offer Price), we note that the “see-through” price of the out-of-the-money Share Options is zero while the offer price for those Share Options are at a nominal price of HK\$0.001.

6. The CB Offer

Pursuant to Rule 13 of the Takeover Code, the Offeror is also required to make the CB Offer. As at the Latest Practicable Date, the outstanding Adjusted Convertible Bonds comprise the Adjusted Qianhai 2016 CB, the Adjusted 3rd Ample Reach CB, the Adjusted HK Yinger CB and the Adjusted Zheyin Tianqin CB, with an aggregate principal amount of HK\$205,671,875 convertible into 294,237,132 Shares.

- (i) the Adjusted Qianhai 2016 CB in the principal amount of HK\$12,000,000, which is convertible into 10,000,000 Consolidated Shares (equivalent to 40,000,000 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$1.20 per Consolidated Share (adjusted from the conversion price of HK\$0.30 per Pre-consolidation Share prior to the Share Consolidation);
- (ii) the Adjusted 3rd Ample Reach CB in the principal amount of HK\$13,671,875, which is convertible into 19,531,250 Consolidated Shares (equivalent to 78,125,000 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.70 per Consolidated Share (adjusted from the conversion price of HK\$0.175 per Pre-consolidation Share prior to the Share Consolidation);
- (iii) the Adjusted HK Yinger CB in the principal amount of HK\$120,000,000, which is convertible into 176,470,588 Consolidated Shares (equivalent to 705,882,352 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.68 per Consolidated Share; (adjusted from the conversion price of HK\$0.170 per Pre-consolidation Share prior to the Share Consolidation); and

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- (iv) the Adjusted Zheyin Tianqin CB in the principal amount of HK\$60,000,000, which is convertible into 88,235,294 Consolidated Shares (equivalent to 352,941,176 Pre-consolidation Shares prior to the Share Consolidation) at the conversion price of HK\$0.68 per Consolidated Share (adjusted from the conversion price of HK\$0.170 per Pre-consolidation Share prior to the Share Consolidation).

As set out in the Letter from the Board, the proposed offer price for the Adjusted Qianhai 2016 CB is HK\$0.1767 for every HK\$1 face value of Adjusted Qianhai 2016 CB, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Adjusted Qianhai 2016 CB. Although (i) the closing price of the Shares of HK\$0.196 per Consolidated Share as at the Last Trading Day implies that the current market value of the Adjusted Qianhai 2016 CB is approximately HK\$1,960,000, representing a discount of approximately 7.6% to the offer price under the CB Offer in relation to the Adjusted Qianhai 2016 CB (the “**Adjusted Qianhai 2016 CB Offer**”) of HK\$2,120,400, but consider that (ii) in the event that the holders of Adjusted Qianhai 2016 CB have not exercised the conversion rights before its maturity date on 15 April 2019, the holders of Adjusted Qianhai 2016 CB should be entitled to receive 100% principal of the unexercised Qianhai 2016 CB of HK\$12,000,000 together with any unpaid interest thereon on 15 April 2019, which significantly exceeds the amount to be received of HK\$2,120,400 upon the acceptance of the Adjusted Qianhai 2016 CB Offer; we consider the offer price under the Adjusted Qianhai 2016 CB Offer to be not fair and reasonable to the holders of Adjusted Qianhai 2016 CB.

In relation to the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB, as set out in the Composite Document, Ample Reach and its owner and controller, Mr. Huang, have given the Ample Reach Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the Offers to be made by the Offeror, and that, from the date of the Ample Reach Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Consolidated Shares held by Ample Reach, the 2nd Ample Reach CB and the 3rd Ample Reach CB, or in fact any Shares or interest in Shares held by them (if any), nor will they convert the 2nd Ample Reach CB and the 3rd Ample Reach CB into Shares or otherwise make any of such Consolidated Shares, the 2nd Ample Reach CB and the 3rd Ample Reach CB available for acceptance. Therefore, we consider the analysis whether the offer price under the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB is fair and reasonable to the holders of the Adjusted 2nd Ample Reach CB and Adjusted 3rd Ample Reach CB is not applicable.

In relation to the Adjusted HK Yinger CB, as set out in the Composite Document, Mr. Yu, HK Yinger and Fluent Robust have given the HK Yinger Irrevocable Undertaking, pursuant to which they have irrevocably undertaken to the Offeror that they will not accept the CB Offer to be made by the Offeror, and that, from the date of the HK Yinger Irrevocable Undertaking until the close of the Offers, they will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of the HK Yinger CB, or in fact any Shares or interest in Shares held by them (if any), nor will they convert the HK Yinger CB into Shares or otherwise make the HK Yinger CB available for acceptance. Therefore, we consider the analysis whether the offer price under the Adjusted HK Yinger CB is fair and reasonable to the holders of the Adjusted HK Yinger CB is not applicable.

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As set out in the Letter from the Board, the proposed offer price for the Adjusted Zheyin Tianqin CB is HK\$0.3118 for every HK\$1 face value of Adjusted Zheyin Tianqin CB, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Adjusted Zheyin Tianqin CB. Although (i) the closing price of the Shares of HK\$0.196 per Consolidated Share as at the Last Trading Day implies that the current market value of the Adjusted Zheyin Tianqin CB is approximately HK\$17,294,118 representing a discount of approximately 7.6% to the offer price under the CB Offer in relation to the Adjusted Zheyin Tianqin CB (the “**Adjusted Zheyin Tianqin CB Offer**”) of HK\$18,708,000, but consider that (ii) in the event that the holders of Adjusted Zheyin Tianqin CB have not exercised the conversion rights before its maturity date on 20 April 2020, the holders of Adjusted Zheyin Tianqin CB should be entitled to receive 100% principal of the unexercised Adjusted Zheyin Tianqin CB of HK\$60,000,000 together with any unpaid interest thereon on 20 April 2020 which significantly exceeds the amount to be received of HK\$18,708,000 upon the acceptance of the Adjusted Zheyin Tianqin CB Offer; we consider the offer price under the Adjusted Zheyin Tianqin CB Offer to be not fair and reasonable to the holders of the Adjusted Zheyin Tianqin CB.

OPINION AND RECOMMENDATION

The Share Offer

Taking into consideration the above-mentioned principal factors and reasons, in particular the following:

- (i) the Group recorded loss since the year ended 31 December 2013;
- (ii) there are uncertainties in the future prospects of the Group’s performance as explained in the paragraph headed “Prospects and outlook of the Group” in this letter;
- (iii) the Share Offer Price represents a slight premium of approximately 8.16% over the theoretical closing price of HK\$0.196 per Consolidated Share, based on the closing price of HK\$0.049 per Pre-consolidation Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) although the Share Offer Price represents a premium of approximately 29.27% over the Adjusted NAV per Share of HK\$0.164, based on the Adjusted NAV of HK\$242,221,000 as at the Latest Practicable Date, non-current assets and intangible non-current asset (principally comprising goodwill and trademark user right and technical know-how) respectively contributed to approximately 64.4% and 40.0% of the total asset of the Company as at 31 December 2018, which are subject to market fluctuations. Other assets of the Group, such as prepayments, deposits and other receivables are also not readily realisable into cash;

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- (v) although the Share Offer Price of HK\$0.212 represents a discount of approximately 21.48% to the closing price of the Latest Practicable Date of HK\$0.270, there was a general downward trend of closing price since April 2018. There is no guarantee on whether the trading price of the Consolidated Shares could be sustained at a level higher than the Share Offer Price during and after the Offer Period; and
- (vi) the trading volume during the Review Period were generally thin. The Share Offer provides the Offer Shareholders with an assured exit if they wish to realise their investments in the Consolidated Shares;

we consider that the terms of the Share Offer are fair and reasonable so far as the Offer Shareholders are concerned. On such basis, we recommend the Independent Board Committee to advise the Offer Shareholders to accept the Share Offer. In view of the volatility of market conditions, those Offer Shareholders who intend to accept the Share Offer are strongly reminded to closely monitor the market price and the liquidity of the Consolidated Shares during the Offer Period and should consider selling their Consolidated Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the sale of such Consolidated Shares in the open market would exceed the net proceeds receivable under the Share Offer after having regard to the market price and the liquidity of the Consolidated Shares.

For those Offer Shareholders who are attracted by and confident in the future prospects of the Group, they may consider to retain their Consolidated Shares in full or in part. We would like to remind the Offer Shareholders that if they consider retaining their Shares or tendering less than all their Consolidated Shares under the Share Offer, they should carefully consider the potential difficulties they may encounter in disposing of their investments in the Consolidated Shares after the close of the Share Offer in view of the historical low liquidity of the Shares and there is no guarantee that the prevailing level of the share price will sustain during and after the Offer Period. The Offer Shareholders are strongly advised that the decision to realise or to continue to hold their investments in the Consolidated Shares is subject to individual circumstances and investment objectives.

The Option Offer

Based on the above principal factors and reasons, in particular the fact that all the outstanding Adjust Share Options are out-of-money (i.e. exercise prices of these Adjust Share Options are higher than the Share Offer Price), the exercise price of the Adjust Share Options of HK\$1.28 per Consolidated Share is significantly higher than the Share Offer Price of HK\$0.212 per Consolidated Share, thus the “see-through” price is zero, we are of the opinion that the offer price under the Option Offer of HK\$0.001 for cancellation of each Adjusted Share Option is above the “see-through” price and is fair and reasonable to the Optionholders. Accordingly, we recommend the Independent Board Committee to advise the Optionholders to accept the Option Offer.

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The CB Offer

Based on the above principal factors and reasons, in particular the fact that (a) in the event that the holders of Adjusted Qianhai 2016 CB and Adjusted Zheyin Tianqin CB have not exercised the conversion rights before the maturity date of each of the Adjusted Qianhai 2016 CB and Adjusted Zheyin Tianqin CB, the holder of Adjusted Qianhai 2016 CB and Adjusted Zheyin Tianqin CB should be entitled to receive 100% principal of the each of the unexercised Adjusted Qianhai 2016 CB and Adjusted Zheyin Tianqin CB together with any unpaid interest thereon on the respective maturity date which exceeds the amount to be received upon the acceptance of each of the Adjusted Qianhai 2016 CB Offer and Adjusted Zheyin Tianqin CB Offer; and (b) holders of the Adjusted Ample Reach CB and Adjusted HK Yinger CB have irrevocably undertaken to the Offeror not to accept the CB Offer pursuant to the Ample Reach Irrevocable Undertaking and the HK Yinger Irrevocable Undertaking, we are of the opinion that the offer price under the CB Offer is not fair and reasonable as far as the holder of Offer CB Holders (excluding the Non-accepting Securities Holders) are concerned. Accordingly, we recommend the Independent Board Committee to advise the Offer CB Holders not to accept the CB Offer.

The Offer Shareholders, the Adjust Share Options and the Offer CB Holder are also reminded to read carefully the procedures for accepting the Offers, details of which are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance, if they wish to accept the Offers.

Yours faithfully,
For and on behalf of
Red Sun Capital Limited
Robert Siu
Managing Director

Note: Mr. Robert Siu is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Red Sun Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 21 years of experience in corporate finance industry.

The English translation of the Chinese name(s) in this letter, where indicated with is included for information purpose only and should not be regarded as the official English name(s) of such Chinese names.*

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

1. PROCEDURES FOR ACCEPTANCE

1.1 The Share Offer

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Share Offer.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) in respect of your Consolidated Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) for not less than the number of Consolidated Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**Green International — Share Offer**" on the envelope, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) in respect of your Consolidated Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Consolidated Shares (whether in full or in part), you must either:
 - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) with the nominee company, or other nominee, with instructions authorizing it to accept the Share Offer on your behalf and requesting it to deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) to the Registrar; or
 - (ii) arrange for the Consolidated Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) to the Registrar; or
 - (iii) if your Consolidated Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your

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licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Consolidated Shares have been lodged with your investor participant's account maintained with CCASS, authorize your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If you have lodged transfer(s) of any of your Consolidated Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Consolidated Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it in an envelope marked "**Green International — Share Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Astrum or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorize and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.
- (e) Acceptance of the Share Offer will be treated as valid only if the completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded the acceptance and any relevant documents required by the Takeovers Code have been so received, and are:
 - (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Consolidated Shares; or
 - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Consolidated Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

- (f) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar and the Company (together with any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) must be produced.
- (g) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) will be given.

1.2 The Option Offer

- (a) To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) Without prejudice to the paragraph headed “(5) Effect of accepting the Offers” in the “Letter from Astrum” contained in this Composite Document and the paragraph headed “5. Lapse of Adjusted Share Options” of this appendix, the completed **PINK** Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Adjusted Share Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) you intend to tender, stating the number of Adjusted Share Options in respect of which you intend to accept the Option Offer, by post or by hand, to the Company at Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, marked “**Green International — Option Offer**” on the envelope, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) No stamp duty will be deducted from the amount paid or payable to Optionholders who accept the Option Offer.
- (d) No acknowledgment of receipt of any **PINK** Form(s) of Option Offer Acceptance, certificate(s) of the Adjusted Share Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities and any other document(s) required by the Company in respect thereof) will be given.

1.3 The CB Offer

- (a) If you accept the CB Offer and the certificate(s) of the Adjusted Convertible Bonds and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) is/are in your name, you should complete the **BLUE** Form of CB Offer Acceptance in accordance with the instructions printed thereon in respect of the outstanding principal amount of the Adjusted Convertible Bonds held by you that you wish to tender to the CB Offer, which instructions form part of the terms and conditions of the CB Offer.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

- (b) The completed **BLUE** Form of CB Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Adjusted Convertible Bonds and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) which you intend to accept the CB Offer, by post or by hand, to the Company at Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, marked “**Green International — CB Offer**” on the envelope, as soon as possible but in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) The Company reserves the right to deduct from the amount paid or payable to Offer CB Holders who accept the CB Offer the seller’s ad valorem stamp duty which may be charged on the transfer of Offer Convertible Bonds under the CB Offer Acceptance. If the Stamp Duty Office adjudicates that no stamp duty is chargeable on the transfer, a stamp duty refund cheque will be dispatched to the accepting Offer CB Holders by ordinary post at its/his/her own risk in due course.
- (d) No acknowledgement of receipt of any **BLUE** Form of CB Offer Acceptance and/or certificate(s) of the Adjusted Convertible Bonds and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) will be given.

2. SETTLEMENT OF THE OFFERS

2.1 The Share Offer

Provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) are complete and in good order in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount due to each of the Offer Shareholders who accepts the Share Offer less seller’s ad valorem stamp duty in respect of the Consolidated Shares tendered by it/him/her under the Share Offer will be dispatched to such Offer Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven Business Days following the date of receipt by the Registrar of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller’s ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder. Notwithstanding the above, the Company reserves the right to charge additional costs to any Offer Shareholder who purports to accept the Share Offer under

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

circumstances calling for special treatment of the Registrar or the Company (such as on any purported loss of title certificates) requiring additional efforts and measures (and thereby additional costs and expenses such as legal costs, insurance premium or surety provided by reputable institutions acceptable to the Company) to cover any extra risks borne by the Registrar and the Company in handling such special requests of the accepting Offer Shareholders.

2.2 The Option Offer

Provided that a valid **PINK** Form of Option Offer Acceptance and the relevant certificate(s) in respect of the Adjusted Share Options (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Company before the close of the Option Offer, a cheque for the amount due to each of the Optionholders who accepts the Option Offer in respect of the Adjusted Share Option tendered by it/him/her under the Option Offer will be dispatched to such Optionholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven Business Days following the date of receipt by the Company of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder. Notwithstanding the above, the Company reserves the right to charge reasonable costs to any Optionholder who purports to accept the Option Offer under circumstances calling for special treatment of the Company (such as on any purported loss of title certificates) requiring additional efforts and measures (and thereby additional costs and expenses such as legal costs, insurance premium or surety provided by reputable institutions acceptable to the Company) to cover any extra risks borne by the Company in handling such special requests of the accepting Optionholder.

2.3 The CB Offer

Provided that a valid **BLUE** Form of CB Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Company before the close of the CB Offer, a cheque for the amount due to each of the Offer CB Holders who accepts the CB Offer in respect of the Adjusted Convertible Bonds tendered by it/him/her under the CB Offer will be dispatched to such Offer CB Holder by ordinary post at its/his/her own risk as soon as possible but in any event within seven Business Days following the date of receipt by the Company of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer CB Holder who accepts the CB Offer will be rounded up to the nearest cent.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

Settlement of the consideration to which any accepting Offer CB Holder is entitled under the CB Offer will be implemented in full in accordance with the terms of the CB Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer CB Holder. Notwithstanding the above, the Company reserves the right to charge reasonable costs to any Offer CB Holder who purports to accept the CB Offer under circumstances calling for special treatment of the Company (such as on any purported loss of title certificates) requiring additional efforts and measures (and thereby additional costs and expenses such as legal costs, insurance premium or surety provided by reputable institutions acceptable to the Company) to cover any extra risks borne by the Company in handling such special requests of the accepting Offer CB Holder.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offers are made on 10 April 2019, being the date of dispatch of this Composite Document, and is open for acceptance on and from this date.
- (b) In order to be valid for the Offers, the **WHITE** Form of Share Offer Acceptance, the **BLUE** Form of CB Offer Acceptance and the **PINK** Form of Option Offer Acceptance must be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer and the CB Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive in accordance with the Takeovers Code.
- (c) The Offeror reserves the right to revise the terms of the Offers after the dispatch of this Composite Document until such day as it may determine and announce in accordance with the Takeovers Code. If the Offeror revises the terms of the Offers, all the Offer Shareholders, the Optionholders and the Offer CB Holders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.
- (d) If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date or the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Offer Shareholders, the Optionholders and the Offer CB Holders who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

4. EXERCISE OF ADJUSTED SHARE OPTIONS

The Optionholder who wishes to accept the Share Offer may (i) exercise his/her/its Adjusted Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Adjusted Share Options together with a cheque for payment of the subscription monies and the

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

related certificates (if applicable) for the Adjusted Share Options to the Company before the close of the Offers; and (ii) at the same time, or in any event no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code), complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the Company for exercising the Adjusted Share Options. Notwithstanding the above, the exercise of the Adjusted Share Options is always subject to the terms and conditions of the Share Option Scheme and the terms attaching to the grant of the relevant Adjusted Share Options. Delivery of the completed and signed **WHITE** Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Adjusted Share Options but will only be deemed to be an irrevocable authority to the Offeror and/or Astrum and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her/its behalf the relevant share certificate(s) when issued on exercise of the Adjusted Share Options as if it/they was/were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

If the Optionholder fails to exercise his/her/its Adjusted Share Options as aforesaid and in accordance with the terms and conditions of the Share Option Scheme, there is no guarantee that the Company may issue the relevant share certificate in respect of the Consolidated Shares allotted pursuant to his/her/its exercise of the Share Option(s) to such Optionholder in time for it to accept the Share Offer as an Offer Shareholder of such Consolidated Shares under the terms of the Share Offer.

5. LAPSE OF ADJUSTED SHARE OPTIONS

Following acceptance of the Option Offer, the relevant Adjusted Share Options together with all rights attaching thereto will be entirely cancelled and renounced on the Closing Date.

Optionholders should note that according to the rules of the Share Option Scheme, the Optionholders are entitled to exercise their Adjusted Share Options (to the extent not exercised) in full or in part by notice in writing to the Company before the close of the Option Offer. Under the rules of the Share Option Scheme, the Adjusted Share Options (to the extent not exercised) will cease and determine and lapse automatically after the close of the Option Offer on the Closing Date. Optionholders are reminded that acceptance of the Option Offer made in relation to any Adjusted Share Option that has lapsed will not render acceptance to be valid. Optionholders are therefore recommended to consult their own professional advisers as to the exercise of the Adjusted Share Options pursuant to the rules of the Share Option Scheme and the implications as to accepting or rejecting the Option Offer. Nothing in this Composite Document or the Option Offer will serve to extend the life of any Adjusted Share Option which lapses under the Share Option Scheme. No exercise of the Adjusted Share Options or acceptance of the Option Offer may be made in relation to any Adjusted Share Option that has lapsed.

6. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offers have been revised, extended, or has expired.

The announcement will state the total number of Consolidated Shares, Adjusted Share Options and Adjusted Convertible Bonds and rights over Consolidated Shares, Adjusted Share Options and Adjusted Convertible Bonds:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period.

The announcement must include details of any relevant securities (as defined in the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

In computing the total number or principal amount of Consolidated Shares, Adjusted Share Options or Adjusted Convertible Bonds represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in paragraph 1 of this appendix, and which have been received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer and CB Offer) respectively no later than 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive, shall be included.

- (b) As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

7. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by the Offer Shareholders, the Optionholders and the Offer CB Holders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFERS

- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “6. Announcements” above, the Executive may require that the Offer Shareholders, the Optionholders and the Offer CB Holders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Offer Shareholders, the Optionholders and/or the Offer CB Holders withdraw their acceptances, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificates and/or transfer receipts and/or the certificates of the Adjusted Share Options and/or the certificate of the Adjusted Convertible Bonds and/or other documents of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) lodged with the Forms of Acceptance to the relevant Offer Shareholders, Optionholders and/or Offer CB Holders.

8. STAMP DUTY

Seller’s Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Consolidated Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Offer Shareholders accepting the Share Offer. The Offeror will arrange for payment of the seller’s Hong Kong ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Share Offer and pay the buyer’s Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and transfer of the Offer Consolidated Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer. Any seller’s Hong Kong ad valorem stamp duty payable in connection with the acceptance of the CB Offer shall be borne by the accepting Offer CB Holder.

9. OVERSEAS SHAREHOLDERS, OVERSEAS OPTIONHOLDERS AND OVERSEAS CB HOLDERS

The Offeror intends to make the Offers available to all Overseas Shareholders, Overseas Optionholders and Overseas CB Holders, including those who are resident outside Hong Kong.

The availability of the Offers to any Overseas Shareholders, Overseas Optionholders and Overseas CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of the Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders, Overseas Optionholders and Overseas CB Holders in respect of such jurisdictions).

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Acceptance of the Offers by any Overseas Shareholders or Overseas Optionholders or Overseas CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such Overseas Shareholder, Overseas Optionholder or Overseas CB Holder lawfully under the laws of the relevant jurisdictions. The Overseas Shareholders, the Overseas Optionholders and the Overseas CB Holders should consult their professional advisers if in doubt.

10. NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, Optionholders and Offer CB Holders, those Offer Shareholders, Optionholders and Offer CB Holders who hold Consolidated Shares, Adjusted Share Options and/or Adjusted Convertible Bonds as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Offer Consolidated Shares, Adjusted Share Options and Adjusted Convertible Bonds, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

11. TAXATION ADVICE

The Offer Shareholders, the Optionholders and the Offer CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Astrum, Red Sun and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

12. GENERAL

- (a) All communications, notices, Forms of Acceptance, Share certificate(s), transfer receipt(s), certificate(s) of the Adjusted Share Options, certificate(s) of the Adjusted Convertible Bonds, other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required by the Company in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Offer Shareholders, the Optionholders and the Offer CB Holders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, Astrum and any of their respective directors nor the Registrar nor other parties involved in the Offers nor any of their respective agents accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Forms of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to dispatch this Composite Document and/or Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate either the Share Offer, the CB Offer or the Option Offer in any way.

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- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Forms of Acceptance will constitute an authority to the Offeror, Astrum or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Consolidated Shares, the Adjusted Share Options or the Adjusted Convertible Bonds in respect of which such person or persons has/have accepted the Offers.
- (f) By accepting the Offers, the Offer Shareholders, Optionholders and Offer CB Holders will sell their Consolidated Shares or Adjusted Convertible Bonds or tender their Adjusted Share Options (as the case may be) to the Offeror free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends, interests and distributions (as applicable) which may be recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer or Option Offer or CB Offer is made, that is, the date of this Composite Document.
- (g) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Consolidated Shares, Adjusted Share Options or Adjusted Convertible Bonds in respect of which as indicated in the Forms of Acceptance is the aggregate number of Consolidated Shares, Adjusted Share Options or Adjusted Convertible Bonds held by such nominee for such beneficial owner who is accepting the Offers.
- (h) Reference to the Offers in this Composite Document and in the Forms of Acceptance shall include any extension or revision thereof.
- (i) The English text of this Composite Document and the Forms of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.
- (j) The Offers are made in accordance with the Takeovers Code.

1. FINANCIAL SUMMARY

The following is a summary of the audited financial results and of the Group for each of the two years ended 31 December 2016 and 2017 as extracted from the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”) and the audited financial results of the Group for the year ended 31 December 2018 as extracted from the annual results announcement of the Company for the year ended 31 December 2018 (the “**2018 Annual Results Announcement**”), respectively.

	For the year ended 31 December		
	2018	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Audited)
Revenue	82,092	54,320	46,960
Loss before income tax	(78,493)	(326,914)	(136,990)
Income tax	339	4,675	4,047
Loss for the year	<u>(78,154)</u>	<u>(322,239)</u>	<u>(132,943)</u>
Loss for the year attributable to:			
- Equity holders of the Company	(79,454)	(323,029)	(134,537)
- Non-controlling interests	1,300	790	1,594
	<u>(78,154)</u>	<u>(322,239)</u>	<u>(132,943)</u>
Loss per share for loss for the year attributable to the equity holders of the Company			
- Basic and diluted (<i>HK\$ cents</i>)	<u>(13.78)</u>	<u>(16.38)</u>	<u>(6.82)</u>
Other comprehensive income/(expense), net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences			
- Exchange differences arising during the year	431	(3,783)	3,632
- Reclassification adjustments relating to foreign operations disposed of during the year	—	460	(240)
	<u>431</u>	<u>(3,323)</u>	<u>3,392</u>
Total comprehensive expense for the year	<u>(77,723)</u>	<u>(325,562)</u>	<u>(129,551)</u>
Total comprehensive (expense)/income for the year attributable to:			
- Equity holders of the Company	(78,288)	(326,812)	(130,722)
- Non-controlling interests	565	1,250	1,171
	<u>(77,723)</u>	<u>(325,562)</u>	<u>(129,551)</u>

	As at 31 December		
	2018 HK\$'000 (Audited)	2017 HK\$'000 (Audited)	2016 ^(Note) HK\$'000 (Audited) (Restated)
Non-current assets	211,969	133,532	189,842
Current assets	117,088	66,237	248,945
Current (liabilities)	(119,953)	(236,054)	(100,814)
Net current (liabilities)/assets	(2,865)	(169,817)	148,131
Non-current liabilities	(110,845)	(43,784)	(93,191)
Net assets	<u>98,259</u>	<u>(80,069)</u>	<u>244,782</u>
Equity			
- Capital and reserves attributable to the equity holders of the Company	86,221	(86,747)	239,354
- Non-controlling interests	12,038	6,678	5,428
Total Equity	<u>98,259</u>	<u>(80,069)</u>	<u>244,782</u>

Note: During the course of preparation of the consolidated financial statements of the Group for the financial year ended 31 December 2017, the new management of the Company performed a reassessment of the terms and conditions of the convertible bonds (the "Marsa CB") issued and issuable by the Company under the contractual terms of the sale and purchase agreement (the "SPA") dated 21 November 2014 entered into by the Company as purchaser in relation to the acquisition by the Company of 100% shareholding in Rainbow Star Global Limited. As the Marsa CB (both issued and issuable) under the terms of the SPA did not meet the definition of an equity instrument and the conversion option embedded in the Marsa CB did not meet the criteria for equity classification, therefore, the new management was of the view that the Marsa CB should be recognised as financial liabilities at fair value through profit or loss instead of equity instrument. For details, please refer to Note 37 to the consolidated financial statements of the Group as contained in the 2017 Annual Report.

No dividend was paid or proposed by the Company during the three years ended 31 December 2016, 2017 and 2018.

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by McMillan Woods SG CPA Limited ("McMillan Woods"), the then auditor of the Company, and the consolidated financial statements of the Group for the two years ended 31 December 2017 and 31 December 2018 were audited by HLB Hodgson Impey Cheng Limited ("HLB"), the auditor of the Company. The opinions of McMillan Woods and HLB are as follows:

(i) ***For the financial year ended 31 December 2016***

No qualified opinion was made by McMillan Woods in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2016. Without qualifying its

opinion, McMillan Woods had made an emphasis which is extracted from the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”) as follows:

EMPHASIS OF MATTER

We draw attention to Note 2.1 of the consolidated financial statements, as at 31 December 2016, the cash balance of the Group is approximately HK\$24.5 million, which is less than management’s estimate of cash requirement on operating expenses for the next twelve months and there has been operating losses for the current year reported. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The Groups’ financial statements have been prepared on a going concern basis, the validity of which depends upon the future revenue, the availability of additional debt facilities, and that financial support from its substantial shareholder is forthcoming to meet the Group’s financial obligations as and when they fall due in the foreseeable future. Our opinion is not modified in respect of this matter.

(ii) For the financial year ended 31 December 2017

HLB had issued modified opinions and material uncertainty related to going concern on the consolidated financial statements of the Group for the financial year ended 31 December 2017 which is extracted from the 2017 Annual Report as follows:

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Green International Holdings Limited (the “**Company**”) and its subsidiaries (collective referred to as the “**Group**”) set out on page 74 and 162 which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASES FOR DISCLAIMER OF OPINION**(a) Opening balances and comparative figures**

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 30

March 2017. However, we have been unable to obtain sufficient appropriate audit evidence about whether the opening balances as at 1 January 2017 of the assets of the Group described in paragraphs (b) to (f) below contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. Since opening balances of these assets enter into the determination of the financial performance and cash flows of the Group for the current year, we were unable to determine whether adjustments might have been necessary in respect of the financial performance of the Group for the year ended 31 December 2017 reported in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the net cash flows for the year ended 31 December 2017 reported in the consolidated statement of cash flows.

In addition, as any adjustments that would be required may have consequential significant effects on those assets of the Group as at 31 December 2016 and its results and cash flows for the year ended 31 December 2016 presented as comparative figures in the consolidated financial statements, we were unable to determine the possible effects of these matters on the comparability of the current year's figures and the comparative figures presented in the consolidated financial statements.

(b) Impairment loss of loan receivables

As disclosed in Note 20 to the consolidated financial statements, the outstanding balances of loan receivables as at 31 December 2017 were long overdue beyond their respective maturity dates and no subsequent settlements were received by the Group from the respective borrowers after the end of the financial reporting period. On 9 March 2018, the Group issued writs of summons to the borrowers of these loan receivables. In the opinion of directors of the Company, the likelihood of the Group recovering the monies owed under these loans was uncertain and hence a provision for full impairment of these loans, including accrued interests, amounting to approximately HK\$30,597,000 was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017.

However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of loan receivables of the Group as at 1 January 2017 of HK\$26,068,000 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment loss on loan receivables, including accrued interests, amounting to approximately HK\$30,597,000 was free from material misstatement. Any adjustment found to be necessary to the impairment loss would have consequential impact on the Group's net liabilities as at 31 December 2017 and its loss and cash flows for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(c) Impairment loss of promissory note receivables

As disclosed in Note 17 to the consolidated financial statements, the outstanding balances of promissory notes as at 31 December 2017 were past due and no subsequent settlements were received by the Group from the respective note holders after the end of the financial reporting

period. On 14 March 2018, the Group issued writs of summons to each of the defaulting parties. In the opinion of the directors of the Company, the likelihood of the Group recovering the monies owed under these notes was uncertain and hence a provision for full impairment of the promissory notes, including accrued interests, amounting to approximately HK\$165,617,000 was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017.

However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the promissory note receivables of the Group as at 1 January 2017 of HK\$154,218,000 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment loss on the note receivables, including accrued interests, amounting to approximately HK\$165,617,000 was free from material misstatement. Any adjustment found to be necessary to the impairment loss would have consequential impact on the Group's net liabilities as at 31 December 2017 and its loss and cash flows for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(d) Impairment loss of prepayment, deposits and other receivables

As disclosed in Note 21 to the consolidated financial statements, the balances of prepayment, deposits and other receivables as at 31 December 2017 include balances amounting to HK\$7,774,000 which were long outstanding and no subsequent utilization or settlements of these balances occurred after the end of the financial reporting period. In the opinion of the directors of the Company, the likelihood of the Group utilizing or recovering these outstanding balances was uncertain and hence a provision for full impairment of the prepayment, deposits and other receivables, amounting to approximately HK\$7,774,000, was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017.

However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the prepayment, deposits and other receivables of the Group as at 1 January 2017 of HK\$24,742,000 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment loss on the prepayment, deposits and other receivables, amounting to approximately HK\$7,774,000 was free from material misstatement. Any adjustment found to be necessary to the impairment loss would have consequential impact on the Group's net liabilities as at 31 December 2017 and its loss and cash flows for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(e) Impairment loss of derivative financial instruments of call option

As disclosed in Note 17 to the consolidated financial statements, the directors of the Company are of the opinion that the fair value of the call option derivative financial instrument was zero as at 31 December 2017, based on their assessment of the contractual terms of the call

option and the relevant facts and circumstances as at 31 December 2017. Accordingly, a loss on decrease in fair value of the call option derivative financial instrument of approximately HK\$11,040,000 was recognised in consolidated statement of profit or loss of the Group for the year ended 31 December 2017.

However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balance of the call option derivative financial instrument as at 1 January 2017 of HK\$11,040,000 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. We have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the reasonableness of the bases and assumptions made by the Group when estimating the fair value of the call option as at 31 December 2016. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the fair value loss on the call option, amounting to approximately HK\$11,040,000, was free from material misstatement. Any adjustment found to be necessary to the fair value loss would have consequential impact on the Group's net liabilities as at 31 December 2017 and its loss and cash flows for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(f) Impairment loss of trademark user right and technical know-how

As disclosed in Note 15 to the consolidated financial statements, in view of continuous losses in the beauty and wellness business, the Group performed an impairment assessment as at 31 December 2017 of the trademark user right and technical know-how intangible assets which belonged to the cash generating unit ("CGU") represented by the beauty and wellness business. The recoverable amount of the CGU as at 31 December 2017 was determined as its value in use, which was measured based on cash flow projections prepared using financial budgets approved by management which covered a period of five years and represented management's best estimate of the range of economic conditions that will exist over the five years' period. The carrying amount of the CGU which contained the trademark user right and technical know-how intangible assets exceeded its recoverable amount, resulting in an impairment loss on trademark user right and technical know-how of approximately HK\$62,363,000 being recognised in the consolidated profit or loss of the Group for the year ended 31 December 2017.

However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of trademark user right and technical knowhow intangible assets of the Group as at 1 January 2017 of HK\$157,250,000 contained misstatements that materially affect the consolidated financial statements of the Group for the year ended 31 December 2017. We were unable to be satisfied that certain key bases and assumptions adopted in the preparation of the financial budgets upon which the measurement of the value in use of the CGU as at 31 December 2016 was based were reasonable and supportable. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the impairment loss on trademark user right and technical know-how intangible assets, amounting to approximately HK\$62,363,000, was free from material misstatement. Any adjustment found to be necessary to the impairment loss would have consequential impact on the Group's net liabilities as at 31 December 2017 and its loss and cash flows for the year then ended, and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As disclosed in Note 2.3 to the consolidated financial statements, the Group incurred a loss attributable to the owners of the Company of approximately HK\$323,029,000 for the year ended 31 December 2017, and its total liabilities were in excess of its total assets by an amount of approximately HK\$80,069,000 as at 31 December 2017. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, the validity of which is dependent upon future funding available at a level sufficient to finance the working capital requirements of the Company.

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to repay or extend existing borrowings upon their maturities through cash flows from operations and financial support from a director's controlled corporation and other financial institutions. Because of the significance of these matters, we were unable to satisfy ourselves as to whether the use of going concern assumption in the preparation of the consolidated financial statements was appropriate. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The consolidated financial statements do not include any of these adjustments that would result from the failure to continue to operate as a going concern.

(iii) For the financial year ended 31 December 2018

HLB had issued qualified opinions and material uncertainty related to going concern on the consolidated financial statements of the Group for the financial year ended 31 December 2018 which is extracted from the 2018 Annual Results Announcement as follows:

In our opinion, except for the possible effects on the corresponding figures of the matters described in the Bases for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and consolidated cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASES FOR QUALIFIED OPINION

Opening balances as at 1 January 2017 and comparative figures

As explained in our auditors' report on the consolidated financial statements of the Group for the year ended 31 December 2017, we have been unable to obtain sufficient appropriate audit evidence about whether the opening balances as at 1 January 2017 of certain of the assets of the Group described in paragraphs (a) to (e) below were free from material misstatements. Since opening balances of these assets as at 1 January 2017 entered into the determination of the financial performance and cash flows of the Group for the year ended 31 December 2017, we were unable to determine whether adjustments might have been necessary in respect of the financial performance of the Group for the year ended 31 December 2017 reported in the

consolidated statement of profit or loss and other comprehensive income and the cash flows of the Group for the year ended 31 December 2017 reported in the consolidated statement of cash flows. Our audit opinion on the consolidated financial statements for the year ended 31 December 2017 was modified accordingly. Our opinion on the current year's consolidated financial statements for the year ended 31 December 2018 is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

(a) *Impairment loss of loan receivables*

The outstanding balances of loan receivables as at 31 December 2017 were long overdue beyond their respective maturity dates and a provision for full impairment of these loans, including accrued interests, amounting to approximately HK\$30,597,000 was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of loan receivables of the Group as at 1 January 2017 of HK\$26,068,000 were free from material misstatements and hence whether the impairment loss on loan receivables, including accrued interests, amounting to approximately HK\$30,597,000 for the year ended 31 December 2017 was free from material misstatement.

(b) *Impairment loss of promissory note receivables*

The outstanding balances of promissory notes as at 31 December 2017 were past due and a provision for full impairment of the promissory notes, including accrued interests, amounting to approximately HK\$165,617,000 was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the promissory note receivables of the Group as at 1 January 2017 of HK\$154,218,000 were free from material misstatements and hence whether the impairment loss on the note receivables, including accrued interests, amounting to approximately HK\$165,617,000 for the year ended 31 December 2017 was free from material misstatement.

(c) *Impairment loss of prepayment, deposits and other receivables*

The balances of prepayment, deposits and other receivables as at 31 December 2017 include balances amounting to HK\$7,774,000 which were long outstanding and a provision for full impairment of the prepayment, deposits and other receivables, amounting to approximately HK\$7,774,000, was recognised as impairment loss in consolidated statement of profit or loss for the year ended 31 December 2017. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the prepayment, deposits and other receivables of the Group as at 1 January 2017 of HK\$24,742,000 were free from material misstatements and hence whether the impairment loss on the prepayment, deposits and other receivables, amounting to approximately HK\$7,774,000 for the year ended 31 December 2017 was free from material misstatement.

(d) *Impairment loss of derivative financial instruments of call option*

The directors of the Company are of the opinion that the fair value of the call option derivative financial instrument was zero as at 31 December 2017, based on their assessment of

the contractual terms of the call option and the relevant facts and circumstances as at 31 December 2017. Accordingly, a loss on decrease in fair value of the call option derivative financial instrument of approximately HK\$11,040,000 was recognised in consolidated statement of profit or loss of the Group for the year ended 31 December 2017. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balance of the call option derivative financial instrument as at 1 January 2017 of HK\$11,040,000 were free from material misstatements and hence whether the fair value loss on the call option, amounting to approximately HK\$11,040,000 for the year ended 31 December 2017 was free from material misstatement.

(e) *Impairment loss of trademark user right and technical know-how*

In view of continuous losses in the beauty and wellness business, the Group performed an impairment assessment as at 31 December 2017 of the trademark user right and technical know-how intangible assets which belonged to the cash generating unit (“CGU”) represented by the beauty and wellness business. The carrying amount of the CGU which contained the trademark user right and technical know-how intangible assets exceeded its recoverable amount, resulting in an impairment loss on trademark user right and technical know-how of approximately HK\$62,363,000 being recognised in the consolidated profit or loss of the Group for the year ended 31 December 2017. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of trademark user right and technical knowhow intangible assets of the Group as at 1 January 2017 of HK\$157,250,000 were free from material misstatements and hence whether the impairment loss on trademark user right and technical know-how intangible assets, amounting to approximately HK\$62,363,000, was free from material misstatement.

Any adjustments found to be necessary in respect of the matters described in (a) to (e) above would have consequential impact on the Group’s loss and cash flows for the year ended 31 December 2017, and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

The Group incurred a loss attributable to the owners of the Company of approximately HK\$79,454,000 for the year ended 31 December 2018, and its current liabilities were in excess of its current assets by an amount of approximately HK\$2,865,000 as at 31 December 2018. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern, the validity of which is dependent upon future funding available at a level sufficient to finance the working capital requirements of the Company.

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group’s ability to financial support from a director’s controlled corporation and other financial institutions. Because of the significance of these matters, we were unable to satisfy ourselves as to whether the use of going concern assumption in the preparation of the consolidated financial statements was appropriate. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the

Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The consolidated financial statements do not include any of these adjustments that would result from the failure to continue to operate as a going concern.

3. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Composite Document the consolidated statement of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2016 (the “**2016 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2017 (the “**2017 Financial Statements**”); and (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2016 Financial Statements are set out from page 42 to page 120 in the 2016 Annual Report, which was published on 27 April 2017. The 2016 Annual Report is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.green-international.com/>), and is accessible via the following hyperlink:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0427/LTN20170427485.pdf>

The 2017 Financial Statements are set out from page 74 to page 162 in the 2017 Annual Report, which was published on 30 April 2018. The 2017 Annual Report is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.green-international.com/>), and is accessible via the following hyperlink:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0430/LTN20180430839.pdf>

The 2018 Financial Statements are set out from page 2 to page 23 in the 2018 Annual Results Announcement, which was published on 29 March 2019. The 2018 Annual Results Announcement is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.green-international.com/>), and is accessible via the following hyperlink:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0331/LTN20190331255.pdf>

The 2016 Financial Statements, the 2017 Financial Statements and the 2018 Financial Statements (but not any other part of the 2016 Annual Report, the 2017 Annual Report and the 2018 Annual Results Announcement in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

4. INDEBTEDNESS

As at the close of business on 28 February 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this Composite Document, the indebtedness of the Group was as follows:

The Group had (i) loan from Hong Kong Sheen Smile International Investment Limited, a company wholly owned by Mr. Yu, a related company of approximately HK\$31 million, which was unsecured; carried interest at rates 6.5% per annum; (ii) the carrying amount of liability component of convertible bonds of approximately HK\$72 million; (iii) outstanding bonds payables with carrying amount HK\$10 million, unsecured carried interest of rates 7.15% to 10.4% per annum and repayable up to April 2024; (iv) operating lease commitments by the Group of approximately HK\$40 million and obligation under finance lease in the carrying amount of approximately HK\$37 million carried interest of 4.9% per annum secured by the lessor's charge over the leased machine and repayable up to year 2027.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, as at 28 February 2019, any other debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, finance lease obligations, mortgages, charges, guarantees or other material contingent liabilities.

5. MATERIAL CHANGE

The Directors confirm that, save and except for the entering into and completion of the Subscription Agreement on 25 January 2019 raising net proceeds of approximately HK\$156 million, there has been no material change in the financial or trading position or outlook of the Group for the period commencing from 31 December 2018 (the date to which the latest audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. MARKET PRICE

The table below sets out the closing prices of the Consolidated Shares on the Stock Exchange (i) on the last trading day of each of the calendar months during the Relevant Period; (ii) on 25 January 2019 (being the Last Trading Day); and (iii) on the Latest Practicable Date.

Date	Closing price per Consolidated Share (HK\$)
31 August 2018	0.572
28 September 2018	0.460
31 October 2018	0.304
30 November 2018	0.260
31 December 2018	0.192
25 January 2019 (being the Last Trading Day)	0.196
31 January 2019	Suspended ^(Note 1)
28 February 2019	0.316
29 March 2019	0.260
8 April 2019 (being the Latest Practicable Date)	0.270

Notes:

- Trading of the Shares was suspended from 28 January 2019 to 1 February 2019 pending the release of the Joint Announcement.*
- All closing prices of the Pre-consolidation Shares prior to 4 March 2019 were adjusted to reflect the theoretical prices of the Consolidated Shares as if the Share Consolidation had already been in effect.*

During the Relevant Period, the highest closing price of the Consolidated Shares was HK\$0.704 per Consolidated Share as quoted on the Stock Exchange on 13 August 2018 (equivalent to HK\$0.176 per Pre-consolidation Share prior to the Share Consolidation) and the lowest closing price of the Consolidated Shares was HK\$0.176 per Consolidated Share as quoted on the Stock Exchange on 6 December 2018 (equivalent to HK\$0.044 per Pre-consolidation Share prior to the Share Consolidation).

3. SHARE CAPITAL

The authorized and issued share capital of the Company as at the Latest Practicable Date were as follows:

Share capital as at the Latest Practicable Date:

	Nominal value per Consolidated Share <i>HK\$</i>	Number of Consolidated Shares	Amount <i>HK\$</i>
<i>Authorized:</i>	0.04	5,000,000,000	200,000,000.00
<i>Issued and fully paid:</i>	0.04	1,473,266,145	58,930,645.80

All of the Consolidated Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Consolidated Shares are listed on the Main Board and none of the securities of the Company are listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Save and except for the above and the Subscription of 754,716,981 Consolidated Shares by the Subscriber under the Subscription Agreement, no Shares have been issued by the Company since 31 December 2018 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the total outstanding Adjusted Convertible Bonds were in the aggregate principal amount of HK\$205,671,875 convertible into 294,237,132 Consolidated Shares, which comprise (i) the Adjusted Qianhai 2016 CB in the principal amount of HK\$12,000,000 which is convertible into 10,000,000 Consolidated Shares at the conversion price of HK\$1.20 per Consolidated Share; (ii) the Adjusted 3rd Ample Reach CB in the principal amount of HK\$13,671,875 which is convertible into 19,531,250 Consolidated Shares at the conversion price of HK\$0.70 per Consolidated Share; (iii) the Adjusted HK Yinger CB in the principal amount of HK\$120,000,000 which is convertible into 176,470,588 Consolidated Shares at the conversion price of HK\$0.68 per Consolidated Share; and (iv) the Adjusted Zheyin Tianqin CB in the principal amount of HK\$60,000,000 which is convertible into 88,235,294 Consolidated Shares at the conversion price of HK\$0.68 per Consolidated Share.

As at the Latest Practicable Date, the outstanding number of the Adjusted Share Options were 3,500,000 at an exercise price of HK\$1.28 per Consolidated Share. If all of such Adjusted Share Options were exercised, a total of 3,500,000 Consolidated Shares would be issued.

As at the Latest Practicable Date, apart from the Adjusted Convertible Bonds and the Adjusted Share Options, the Company had no outstanding options, warrants, derivatives or securities which are

convertible or exchangeable into Consolidation Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Consolidated Shares, as at the Latest Practicable Date.

4. DISCLOSURE OF INTEREST

(A) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (b) which were recorded in the register (the “**Register**”) maintained by the Company pursuant to Section 352 of the SFO, or (c) which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Capacity in which the Consolidated Shares or underlying Consolidated Shares are held	Long positions in Consolidated Shares and underlying Consolidated Shares	Approximate percentage of total issued Consolidated Shares <i>(Note 3)</i>
Mr. Yu	Interest of controlled corporations	423,394,994 <i>(Note 1)</i>	28.74%
	Interest of spouse	754,716,981 <i>(Note 1)</i>	51.23%
Mr. Liu	Beneficial owner	22,865,000 <i>(Note 2)</i>	1.55%
	Interest of controlled corporation	40,000,000 <i>(Note 2)</i>	2.72%

Notes:

1. These 1,178,111,975 Consolidated Shares and underlying Consolidated Shares deemed to be interested by Mr. Yu comprised:
 - (a) 176,470,588 underlying Consolidated Shares attributable to the Adjusted HK Yinger CB beneficially owned by Fluent Robust, which is a controlled corporation wholly-owned by HK Yinger, which is in turn wholly-owned by Mr. Yu;

- (b) 246,924,406 Consolidated Shares beneficially owned by Gold Bless, a company whose issued shares were registered, according to the disclosure of interest filings made on behalf of Mr. Yang, a director of Gold Bless and an ex-director of the Company, as to: (a) 65% (the “**Disputed Gold Bless Shareholding**”) in the name of Mr. Yang; (b) 20% in the name of Mr. Yu; and (c) 15% in the name of Winning Top, a company which is wholly-owned by Mr. Yu.

Gold Bless is deemed to be a controlled corporation of Mr. Yu pursuant to Part XV of the SFO because of the 20% and 15% registered shareholding of Mr. Yu and Winning Top in Gold Bless. In addition, based on the information provided by Mr. Yu, (i) he has an alleged claim over the Disputed Gold Bless Shareholding; (ii) he has commenced legal action in Hong Kong (the “**Gold Bless Litigation**”) against Mr. Yang which may, subject to the outcome of the litigation, affect the ownership of the Disputed Gold Bless Shareholding; (iii) the 246,924,406 Consolidated Shares held by Gold Bless are maintained with a licensed financial institution; and (iv) pursuant to the order of the High Court of Hong Kong, Mr. Yang cannot deal with the Disputed Gold Bless Shareholding and with the 246,924,406 Consolidated Shares held by Gold Bless until further order or the conclusion of the Gold Bless Litigation; and

- (c) 754,716,981 Subscription Consolidated Shares allotted and issued to the Offeror (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription.

The deemed interest of Mr. Yu regarding the 176,470,588 underlying Consolidated Shares attributable to the Adjusted HK Yinger CB duplicates with those of Ms. Zhou as described in Note 2 and those of HK Yinger and Fluent Robust as described in Note 3, respectively, in the section headed “(B) Substantial shareholders’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” below. The deemed interest of Mr. Yu regarding the 246,924,406 Consolidated Shares held by Gold Bless duplicates with those of Ms. Zhou as described in Note 2 and those of Gold Bless and Mr. Yang as described in Note 4, respectively, in the section headed “(B) Substantial shareholders’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” below. The deemed interest of Mr. Yu regarding the 754,716,981 Consolidated Shares to be held by the Offeror duplicates with those of the Offeror and Ms. Zhou as described in Note 1 in the section headed “(B) Substantial shareholders’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” below.

2. According to the disclosure of interest filings, the 62,865,000 Consolidated Shares deemed to be interested by Mr. Liu comprised (a) 22,865,000 Consolidated Shares held by Mr. Liu personally; and (b) 40,000,000 Consolidated Shares held by Smoothly Good, a controlled corporation wholly-owned by Mr. Liu.
3. The percentages are calculated based on the total number of 1,473,266,145 Consolidated Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, which were notified to the Company and the Stock Exchange or recorded in the Register as aforesaid.

(B) Substantial shareholders’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, so far as it is known by or otherwise notified by any Director or the chief executives of the Company, the particulars of the corporations or persons (not being a Director or chief executive of the Company) who had 5% or more interests and short positions in the shares and underlying shares of the Company as recorded in the Register required to be kept under

Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “**Voting Entitlements**”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

Name of substantial shareholder	Capacity in which the Consolidated Shares or underlying Consolidated Shares are held	Long positions in Consolidated Shares and underlying Consolidated Shares	Approximate percentage of total issued Consolidated Shares <i>(Note 5)</i>
Ms. Zhou	Interest of controlled corporation	754,716,981 <i>(Note 1)</i>	51.23%
	Interest of spouse	423,394,994 <i>(Note 2)</i>	28.74%
The Offeror	Beneficial owner	754,716,981 <i>(Note 1)</i>	51.23%
HK Yinger	Interest of controlled corporation	176,470,588 <i>(Note 3)</i>	11.98%
Fluent Robust	Beneficial owner	176,470,588 <i>(Note 3)</i>	11.98%
Mr. Yang	Interest of controlled corporation	246,924,406 <i>(Note 4)</i>	16.76%
Gold Bless	Beneficial owner	246,924,406 <i>(Note 4)</i>	16.76%
Mr. Li Wen Hua (“ Mr. Li ”)	Interest of controlled corporation	88,235,294 <i>(Note 5)</i>	5.99%
Crown Hang International Investment Limited (“ Crown Hang ”)	Beneficial owner	88,235,294 <i>(Note 5)</i>	5.99%

Notes:

- These represent the 754,716,981 Subscription Consolidated Shares allotted and issued to the Offeror (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription. The deemed interest of the Offeror and Ms. Zhou here duplicates with those of Mr. Yu as described in Note 1(c) in the section headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above.

2. These 423,394,994 Consolidated Shares and underlying Consolidated Shares deemed to be interested by Ms. Zhou comprised:
 - (a) 176,470,588 underlying Consolidated Shares attributable to the Adjusted HK Yinger CB beneficially owned by Fluent Robust, which is a controlled corporation wholly-owned by HK Yinger, which is in turn wholly-owned by Mr. Yu (spouse of Ms. Zhou). The deemed interest of Ms. Zhou regarding 176,470,588 underlying Consolidated Shares attributable to the Adjusted HK Yinger CB duplicates with those of Mr. Yu as described in Note 1(a) in the section headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above and those of HK Yinger and Fluent Robust as described in Note 3 in this section; and
 - (b) 246,924,406 Consolidated Shares beneficially owned by Gold Bless, a company whose issued shares were registered, according to the disclosure of interest filings made on behalf of Mr. Yang, a director of Gold Bless and an ex-director of the Company, as to: (a) the Disputed Gold Bless shareholding (65%) in the name of Mr. Yang; (b) 20% in the name of Mr. Yu; and (c) 15% in the name of Winning Top, a company which is wholly-owned by Mr. Yu. Gold Bless is deemed to be a controlled corporation of Mr. Yu pursuant to Part XV of the SFO because of the 20% and 15% registered shareholding of Mr. Yu and Winning Top in Gold Bless. The deemed interest of Ms. Zhou regarding the 246,924,406 Consolidated Shares held by Gold Bless duplicates with those of Mr. Yu as described in Note 1(b) in the section headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above and those of Gold Bless and Mr. Yang as described in Note 4 in this section.
3. These 176,470,588 underlying Consolidated Shares are attributable to the Adjusted HK Yinger CB beneficially owned by Fluent Robust, which is a controlled corporation wholly-owned by HK Yinger, which is in turn wholly-owned by Mr. Yu. The deemed interest of HK Yinger and Fluent Robust here duplicates with those of Mr. Yu as described in Note 1(a) in the section headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above and those of Ms. Zhou as described in Note 2 in this section.
4. These 246,924,406 Consolidated Shares were beneficially owned by Gold Bless, a company whose issued shares were registered, according to the disclosure of interest filings made on behalf of Mr. Yang, a director of Gold Bless and an ex-director of the Company, as to the 65% Disputed Gold Bless Shareholding in the name of Mr. Yang. The deemed interest of Gold Bless and Mr. Yang here duplicates with those of Mr. Yu as described in Note 1(b) in the section headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above and those of Ms. Zhou as described in Note 2 in this section.
5. According to disclosure of interest filings, these 88,235,294 underlying Consolidated Shares are attributable to the Adjusted Zheyin Tianqin CB beneficially owned by Crown Hang, a company which is reportedly owned as to 100% by Mr. Li. Mr. Li and Crown Hang’s deemed interests in underlying Consolidated Shares duplicate with each other.
6. The percentages are calculated based on the total number of 1,473,266,145 Consolidated Shares as at the Latest Practicable Date.

Save as disclosed above, the Directors are not aware of any other corporations or person who, as at the Latest Practicable Date, had any Voting Entitlements or interests or short positions in the shares or underlying shares as recorded in the Register required to be kept under Section 336 of the SFO.

5. DEALINGS IN SECURITIES OF THE COMPANY AND THE OFFEROR

- (a) During the Relevant Period, save for the Subscription, none of the Directors had dealt for value in any shares or convertible securities, options, warrants or derivatives of the Company, the Offeror and parties acting or presumed to be acting in concert with it;
- (b) As at the Latest Practicable Date, the Company did not hold, control or have direction over any shares and any convertible securities, options, warrants or derivatives of the Offeror and parties acting or presumed to be acting in concert with it and the Company had not dealt for value in any such securities of the Offeror and parties acting in concert with it during the Relevant Period;
- (c) As at the Latest Practicable Date, save as disclosed under the sub-paragraph headed “(A) Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” under the paragraph headed “4. DISCLOSURE OF INTEREST” in this appendix, none of the Directors or chief executive of the Company held, controlled or had direction over any shares or convertible securities, options, warrants or derivatives of the Company; and
- (d) The Offeror is wholly-owned by Ms. Zhou (the spouse of Mr. Yu, who is an executive Director). Fluent Robust (a party presumed to be acting in concert with the Offeror) is wholly-owned by HK Yinger (a party presumed to be acting in concert with the Offeror), which is in turn wholly-owned by Mr. Yu. Gold Bless (a party presumed to be acting in concert with the Offeror) is legally registered as to 20% in the name of Mr. Yu and 15% in the name of Winning Top (a company which is wholly-owned by Mr. Yu, Smoothly Good (a party presumed to be acting in concert with the Offeror until the close of the Offers) is wholly-owned by Mr. Liu (a party presumed to be acting in concert with the Offeror until the close of the Offers). As at the Latest Practicable Date, save for disclosed above, none of the Directors or chief executive of the Company held, controlled or had direction over any shares or convertible securities, options, warrants or derivatives of the Offeror and parties acting in concert with it.

6. OTHER DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code owned or controlled any shares or convertible securities, options, warrants or derivatives of the Company, or had dealt for value in any such securities of the Company during the Relevant Period;
- (b) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in

concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and no such person had owned, controlled or dealt for value in any shares or any convertible securities, warrants, options or derivative of the Company during the Relevant Period;

- (c) no shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers (other than exempt fund managers) connected with the Company, and no such person had dealt for value in any such securities of the Company during the Relevant Period;
- (d) none of the Company or the Directors had borrowed or lent any shares, convertible securities, warrants, options or derivatives of the Company;
- (e) save for the Irrevocable Undertakings, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offers;
- (f) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and
- (g) save for the Subscription Agreement, the Offeror had not entered into any material contract in which any Director had a material personal interest.

7. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

No benefit (other than statutory compensation) has been or will be given to any Director as compensation for loss of office or otherwise in connection with the Offers.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of the Company and no litigation, arbitration or claims which would materially and adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any members of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Composite Document:

Name	Qualification
Red Sun	A licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Red Sun has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Red Sun did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Red Sun did not have any direct or indirect interest in any assets which have been acquired or disposed of or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018 (being the date to which the latest published audited statements of the Company were made up).

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group within two years immediately preceding the date of commencement of the Offer Period up to and including the Latest Practicable Date and are or may be material:

- (a) the subscription agreement dated 13 February 2017 entered into between the Company and Zheyin Tianqin pursuant to which the Company conditionally agreed to issue, and Zheyin Tianqin conditionally agreed to subscribe for the Zheyin Tianqin 2017 CB;
- (b) the side letter dated 15 March 2017 and entered into by the Company and Hong Kong Tai Shing Toys Trading Limited (“**Tai Shing**”) on pursuant to which the Company and Tai Shing, an indirect non-wholly owned subsidiary of the Company, agreed to cancel the first tranche Tai Cheng convertible notes in the principal amount of HK\$6,163,639 in exchange for promissory note in the same principal amount;
- (c) the subscription agreement dated 6 April 2017 and entered into between the Company and Delight Treasure Holdings Limited (“**DTHL**”) in relation to the subscription by DTHL of two-month 15% per annum senior notes (“**DTHL Senior Notes**”) in the principal amount of HK\$40,000,000 issued by the Company;

- (d) the loan agreement dated 14 June 2017 entered into between the Company and HK Yinger pursuant to which HK Yinger agreed to grant a one-year loan facility to the Company in the principal amount of HK\$60,000,000 at the interest rate of 4.8% per annum;
- (e) the deed of settlement dated 19 June 2017 and entered into between the Company and DTHL in relation to the payment of HK\$41,083,333.33 by the Company to DTHL in full and final settlement of the DTHL Senior Notes;
- (f) the loan agreement dated 3 October 2017 entered into between the Company and HK Yinger pursuant to which HK Yinger agreed to grant a six-months loan facility to the Company in the principal amount of HK\$60,000,000 at the interest rate of 6.5% per annum;
- (g) the acquisition agreement dated 28 November 2017 entered into between the Company (as purchaser), Ample Reach (as vendor), Mr. Huang and Shenzhen Zizhong Medical Services Company Limited (as vendor's guarantors) and Charm Eastern Limited, pursuant to which the Company conditionally agreed to purchase, and Ample Reach conditionally agreed to sell, the entire issued share capital and shareholders' loans of Charm Eastern Limited for a total consideration of HK\$75,015,625;
- (h) the subscription agreement dated 26 January 2018 entered into between the Company and HK Yinger pursuant to which the Company conditionally agreed to issue, and HK Yinger conditionally agreed to subscribe for, the HK Yinger CB;
- (i) the subscription agreement dated 26 January 2018 entered into between the Company and Zheyin Tianqin pursuant to which the Company conditionally agreed to issue, and Zheyin Tianqin conditionally agreed to subscribe for, the Zheyin Tianqin CB;
- (j) the subscription agreement dated 26 January 2018 entered into between the Company and Mr. Liu pursuant to which the Company conditionally agreed to issue, and Mr. Liu conditionally agreed to subscribe for, the 6% per annum convertible bonds in the principal amount of HK\$27,200,000;
- (k) the loan agreement dated 13 August 2018 entered into between the Company and HK Yinger pursuant to which HK Yinger agreed to grant a six-months loan facility to the Company in the principal amount of up to HK\$30,000,000 at the simple interest rate of 6.5% per annum;
- (l) the subscription agreement dated 27 November 2018 entered into between the Company and Ms. Ye Keyi pursuant to which the Company conditionally agreed to allot and issue, and Ms. Ye Keyi conditionally agreed to subscribe for, an aggregate of 66,500,000 Consolidated Shares (equivalent to 266,000,000 Pre-consolidation Share prior to the Share Consolidation) at the subscription price of HK\$0.212 per Consolidated Share (equivalent to HK\$0.053 per Pre-consolidation Share prior to the Share Consolidation);

- (m) the subscription agreement dated 27 November 2018 entered into between the Company and Ms. Ye Yingying pursuant to which the Company conditionally agreed to allot and issue, and Ms. Ye Yingying conditionally agreed to subscribe for, an aggregate of 50,000,000 Consolidated Shares (equivalent to 200,000,000 Pre-consolidation Share prior to the Share Consolidation) at the subscription price of HK\$0.212 per Consolidated Share (equivalent to HK\$0.053 per Pre-consolidation Share prior to the Share Consolidation); and
- (n) the Subscription Agreement.

11. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

None of the Directors had any direct or indirect interest in any assets which have, since 31 December 2018 (being the date to which the latest audited financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Save for (a) the HK Yinger Loan Facility in which Mr. Yu and Mr. Chen are considered to be interested due to their directorship in HK Yinger and Mr. Yu's shareholding in it; and (b) the Subscription Agreement in which Mr. Yu is considered to be interested due to his spouse, Ms. Zhou's shareholding and directorship in the Subscriber, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting which was significant in relation to the business of the Group.

12. MISCELLANEOUS

- (a) The registered office of the Company in Cayman Islands is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is situated at Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (c) The Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese text, in case of any inconsistency.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) on the websites of the SFC (<http://www.sfc.hk>) and the Company (<http://www.green-international.com/>); and (ii) at the principal place of business of the Company in Hong Kong at Suite 2208-09, 22/F., West Tower, Shun Tak Centre,

200 Connaught Road Central, Hong Kong from 9:00 a.m. to 5:00 p.m. on any weekday (other than public holidays) from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Company;
- (ii) the 2016 Annual Report;
- (iii) the 2017 Annual Report;
- (iv) the 2018 Annual Results Announcement;
- (v) the “Letter from the Board”, the text of which is set out on pages 22 to 30 of this Composite Document;
- (vi) the “Letter from the Independent Board Committee”, the text of which is set out on pages 31 to 32 of this Composite Document;
- (vii) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 33 to 59 of this Composite Document;
- (viii) the Irrevocable Undertakings;
- (ix) the written consent referred to in the paragraph headed “9. Expert and Consent” in this appendix;
- (x) the material contracts referred to in the paragraph headed “10. Material Contracts” in this appendix; and
- (xi) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

Ms. Zhou, the sole director and the ultimate beneficial owner of the Offeror, accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group), and confirm, having made all reasonable enquires, that to the best of her knowledge, opinions expressed in this Composite Document (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. DISCLOSURE OF OTHER INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY

Save for the Subscription, the Offeror and parties acting in concert with it had not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares during the Relevant Period.

The Offeror confirms that as at the Latest Practicable Date:

- (i) save for the 754,716,981 Consolidated Shares held by the Offeror, the 62,865,000 Consolidated Shares held by Mr. Liu and Smoothly Good, the 176,470,588 underlying Consolidated Shares attributed to the Adjusted HK Yinger CB and the 246,924,406 Consolidated Shares owned by Gold Bless, the Offeror, Ms. Zhou (the sole director of the Offeror) and parties acting in concert with them did not own, hold, control or have direction over any voting rights or rights over the shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) save for the Irrevocable Undertakings, the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept or reject the Offers;
- (iii) save for 176,470,588 underlying Consolidated Shares attributed to the Adjusted HK Yinger CB, there was no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or any person acting in concert with it;
- (iv) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person(s) in relation to the Shares which might be material to the Offers;
- (v) save for the Subscription Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) that exists between the Offeror and any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (vi) there was no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;

(vii) there was no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with it has borrowed or lent; and

(viii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons.

Save for the consideration paid under the Subscription Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror and parties acting in concert with it to the Company or the Shareholders.

3. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Composite Document:

Name	Qualification
Astrum	A licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

Astrum has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Astrum did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Astrum did not have any direct or indirect interest in any assets which have been acquired or disposed of or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018 (being the date to which the latest published audited statements of the Company were made up).

4. MISCELLANEOUS

- (a) The address of the Offeror and parties acting or presumed to be acting in concert with it are as below:

Name	Address
The Offeror	Vistra Corporate Services Centre Wickhams Cay II, Road Town Tortola, VG1110, British Virgin Islands
Ms. Zhou	Vistra Corporate Services Centre Wickhams Cay II, Road Town Tortola, VG1110, British Virgin Islands
Mr. Yu	Suite 2208-09, 22/F. West Tower, Shun Tak Centre 200 Connaught Road Central Hong Kong
HK Yinger	Room 701, Sino Centre 582-592 Nathan Road Mongkok, Kowloon, Hong Kong
Fluent Robust	Vistra Corporate Services Centre Wickhams Cay II, Road Town Tortola, VG1110, British Virgin Islands
Gold Bless	Sea Meadow House Blackburne Highway P.O. Box 116, Road Town Tortola, British Virgin Islands
Mr. Liu	Suite 2208-09, 22/F. West Tower, Shun Tak Centre 200 Connaught Road Central Hong Kong
Smoothly Good	Corporate Registrations Limited Sea Meadow House Blackburne Highway P.O. Box 116, Road Town Tortola, British Virgin Islands
Astrum	Room 2704, 27/F Tower 1, Admiralty Centre 18 Harcourt Road, Admiralty Hong Kong

- (b) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese text, in case of any inconsistency.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on (i) the websites of the SFC (<http://www.sfc.hk>) and the Company (<http://www.green-international.com/>); and (ii) at the principal place of business of the Company in Hong Kong at Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from 9:00 a.m. to 5:00 p.m. on any weekday (other than public holidays) from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the “Letter from Astrum”, the text of which is set out on pages 11 to 21 of this Composite Document; and
- (iii) the written consent referred to in the paragraph headed “3. Expert and Consent” in this appendix.