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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2700)

PROFIT WARNING AND BUSINESS UPDATE ON THE IMPACT OF NOVEL CORONAVIRUS PANDEMIC

PROFIT WARNING

This announcement is made by Green International Holdings Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group (the “**Management Accounts**”), the Group is expected to record a significant increase of around or over 100% in its loss for the year ended 31 December 2019 (“**FY2019**”) as compared to the year ended 31 December 2018 (“**FY2018**”), principally as a result of the poor performance of the Group’s club house business and beauty and wellness business, and the possible impairment losses in trademark user right and technical know-how and goodwill.

The Company is still in the process of finalizing its Management Accounts and the annual results announcement for FY2019 (the “**Annual Results Announcement**”). The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the Management Accounts and information which have not been finalized nor reviewed by the Company’s auditors, and may be different from the Annual Results Announcement.

BUSINESS UPDATE ON THE IMPACT OF NOVEL CORONAVIRUS PANDEMIC

The Group's production facilities are principally situated in Hunnan Province and Shenzhen City. Since late January 2020, travel restrictions and other public health measures (the "**Public Health Measures**") including the extension of Chinese new year holiday and quarantine requirements of travelers were imposed in various areas in China in an attempt to contain the novel Coronavirus epidemic (the "**Epidemic**"), as a result of which some staff of the Group were restricted from travelling or otherwise returning to work after holiday. The prolonged effect of the Epidemic and the Public Health Measures has adversely affected the human resources of the Group's club house business and beauty and wellness business in Shenzhen.

As disclosed in the Company's announcement dated 20 December 2019, the performance of the Group's club house business and beauty and wellness business faced unprecedented challenges due to the weakened consumer sentiment in Shenzhen throughout the year especially since the third quarter of 2019. The performance of these segments continued to be sluggish in January 2020 due to the traditionally low season for these industries around the time of Chinese new year, and further deteriorated in February 2020 due to the abrupt downturn of the service industry and consumer market due to change of consumption pattern during the Epidemic. It is currently estimated that the revenue of the Group's club house business and beauty and wellness business was down by over 60% and over 40%, respectively, during January and February 2020 as compared to the corresponding period in 2019.

The performance of the Group's hospital business in Hunnan Province has shown steady growth and improvement throughout FY2019. However, this uptrend in 2019 was reversed to a downtrend in the first quarter of 2020. Based on the information currently available to us, although the revenue of the Group's hospital business in January and February 2020 has maintained roughly the same level by year-on-year basis, it nonetheless dropped for almost 20% as compared to the fourth quarter of 2019. Going forward, we expect that the Epidemic will have a negative impact on our hospital business due to the imposition of extra precautionary measures to limit the risk exposure of both the medical staff and the patients, possibly leading to the increase in operating costs and decrease in revenue.

On 11 March 2020, the World Health Organization officially described the novel Coronavirus outbreak as a pandemic (the "**Pandemic**"). Overall speaking, the Pandemic is expected to adversely impact on the business performance of the Group but the actual impact has yet to be quantified. Based on our current observation and estimation, the downtrend on the Group's revenue is expected to be carried forward to certain extent for the rest of the first quarter or even the first half of 2020 due to the slow down of economic activities and the change of consumption pattern caused by the Pandemic. The Group is taking all practicable measures to cope with the challenges ahead, while striving for the highest caution standard to protect the health and safety of our staff and our customers. The Company will continue to monitor the development of the Pandemic and its impact on the Company's operations, and make further announcement(s) as appropriate if necessary.

The Annual Results Announcement was originally scheduled to be published by the end of March 2020. The Company is in the process of finalizing its Management Accounts and carrying out works which are necessary for the completion of audit procedures on the Group's financial statements for FY2019 (the “**Financial Reporting and Audit Works**”), to the extent that these works are not affected by the Public Health Measures. However, due to the inability to conduct field works in China and other limitations caused by the Pandemic and the Public Health Measures, the Company currently cannot rule out the possibility that the completion of some of the Financial Reporting and Audit Works may experience delays. At present, the Company is still hopeful for the alleviation of the Pandemic in the near future such that the Company can finish as much of its Financial Reporting and Audit Works as we can in time. Further announcement(s) will be made in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 March 2020

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