THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Green International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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)

A. CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
B. SPECIAL DEAL IN RELATION TO LOAN REPAYMENT;
AND
C. NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

红日资本有限公司
RED SUN CAPITAL LIMITED

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

A letter from the Board is set out on pages 7 to 22 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 23 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 47 of this circular.

A notice dated 1 March 2019 convening the EGM to be held on Monday, 18 March 2019 at 3:00 p.m. at Conference Room, Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof if you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

1 March 2019

CONTENTS

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

"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 Existing Shares at the conversion price of HK$0.175 per Existing 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 Existing Shares at the conversion price of HK$0.175 per Existing Share on or before 30 September 2019
"acting in concert"	having the meaning ascribed thereto under the Takeovers Code
"Ample Reach"	Ample Reach Limited, a Shareholder holding 78,125,000 Existing Shares representing approximately 2.72% of the issued share capital of the Company, the vendor of the Charm Eastern Acquisition and the holder of the 2nd Ample Reach CB and the 3rd Ample Reach CB
"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
"Board"	the board of Directors
"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
"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
"connected person(s)"	having the meaning ascribed thereto under the Listing Rules

"Consolidated Share(s)"	ordinary share(s) of HK$0.04 each in the share capital of the Company after the Share Consolidation
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held on Monday, 18 March 2019 at 3:00 p.m. at Conference Room, Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong for the purpose of considering and, if thought fit, approving the Relevant Transactions
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
"Existing Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the Share Consolidation
"Fluent Robust"	Fluent Robust Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of HK Yinger
"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
"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 Existing Shares at the conversion price of HK$0.17 per Existing Share
"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 Independent Shareholders on the Relevant Transactions and as to voting
"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 and the Independent Shareholders on the Relevant Transactions and as to voting
"Independent Shareholders"	Shareholders other than (i) the Subscriber 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 Subscriber, 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 Subscriber during the Offers; (iii) any Shareholders who have a material interest in the Subscription and the Specific Mandate and are required by the Listing Rules to abstain from voting on the relevant resolutions at the EGM; and (iv) any Shareholders who are involved in or interested in the Subscription or the Special Deal (otherwise than solely as Shareholders) and are required by the Takeovers Code to abstain from voting on the relevant resolutions at the EGM
"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
"Joint Announcement"	the announcement dated 1 February 2019 jointly issued by the Company and the Offeror, in relation to, among other things, the Relevant Transactions and the Offers
"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"	27 February 2019, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"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
"Long Stop Date"	30 April 2019 (or such later date as may be agreed in writing between the Company and the Subscriber), being the long stop date for the satisfaction or (where applicable) waiver of the Subscription Conditions
"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. 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 Subscriber
"Offers"	possible unconditional mandatory cash offers to be made by Astrum 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 the Offeror) and to cancel all the outstanding share options of the Company
"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 Existing Shares at the conversion price of HK$0.30 per Existing Share
"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 Existing Share(s) or the Consolidated Share(s), as the context may require

"Share Consolidation"	the proposed consolidation of every four issued and unissued Existing Shares into one Consolidated Share as disclosed in the Share Consolidation Circular
"Share Consolidation Circular"	the Company's circular dated 13 February 2019 in relation to the Share Consolidation
"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 proposed to be obtained from the Independent Shareholders at the EGM to issue the Subscription Consolidated Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber" or "Offeror"	Jumbo Faith International Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Ms. Zhou, the subscriber under the Subscription and the offeror under the Offers
"Subscription"	the proposed subscription of the Subscription Consolidated Shares by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the conditional 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
"Subscription Completion Date"	the date of Subscription Completion, which shall take place within five business days after the date upon which the last of the Subscription Conditions is satisfied (or, where permissible, waived) or such other time and date as the Company and the Subscriber may mutually agree
"Subscription Conditions"	the conditions precedent to the Subscription Completion as contained in the Subscription Agreement and summarized in the paragraph headed "Subscription Conditions" under the section headed "THE SUBSCRIPTION AGREEMENT" in this circular

"Subscription Consolidated Shares"	754,716,981 Consolidated Shares to be allotted and issued to the Subscriber pursuant to the terms and subject to the conditions of the Subscription Agreement
"Subscription Price"	HK$0.212 per Subscription Consolidated Share
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"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 (Shenzhen) Investment Limited) on 19 April 2018 carrying conversion right to convert into 352,941,176 Existing Shares at the conversion price of HK$0.17 per Existing Share
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

* *In this circular, 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.*

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

1 March 2019

To the Shareholders

Dear Sir or Madam,

A. CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND B. SPECIAL DEAL IN RELATION TO LOAN REPAYMENT

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Relevant Transactions and the Offers.

On 25 January 2019 (after trading hours), the Company (as issuer) and the Subscriber entered into the Subscription Agreement, 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 Existing Shares prior to the Share Consolidation) at the Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation).

The purpose of this circular is to provide you with, among other things, details of (i) the Relevant Transactions; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders on the Relevant Transactions; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Relevant Transactions; (iv) other information prescribed by the Listing Rules and/or the Takeovers Code; and (v) the notice of the EGM.

THE SUBSCRIPTION AGREEMENT

The major terms and conditions of the Subscription Agreement are set out below:

Date: 25 January 2019 (after trading hours)

Parties: (a) The Company (as issuer); and
(b) The Subscriber

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, the entire issued share capital of the Subscriber was wholly-owned by Ms. Zhou, who is the spouse of Mr. Yu, an executive Director and the chairman of the Board. Therefore, the Subscriber is a connected person of the Company.

Subject matter

As disclosed in the Share Consolidation Circular, the Company proposed to have four issued and unissued Existing Shares of HK$0.01 each to be consolidated into one Consolidated Share of HK$0.04 each.

Pursuant to the Subscription Agreement, 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 Existing Shares prior to the Share Consolidation) at the Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation).

As at the Latest Practicable Date, there were 2,874,196,656 Existing Shares in issue (or 718,549,164 Consolidated Shares following the Share Consolidation). The 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) represent (i) approximately 105.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 51.2% of the issued share capital of the Company as enlarged by the 754,716,981 Subscription Consolidated Shares, assuming that there is no other changes in the issued share capital of the Company between the Latest Practicable Date and the Subscription Completion Date (except the Subscription and the Share Consolidation).

Subscription Price

The Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation):

(i) represents 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 Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) represents 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 Existing Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;

(iii) represents 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 Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;

(iv) represents a discount of approximately 32.05% to the theoretical closing price of HK$0.312 per Consolidated Share, based on the closing price of HK$0.078 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(v) represents a premium of approximately 72.36% over the theoretical net asset value of HK$0.123 per Consolidated Share, based on the net asset value per Existing Share of approximately HK$0.031 as at 30 June 2018 (please refer to the note below).

Note: The calculations of the net asset value of approximately HK$0.031 per Existing Share are based on: (a) the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK$71,693,000 as at 30 June 2018; and (b) a total of 2,330,071,656 issued Existing Shares as at 30 June 2018.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the market price of the Existing Shares and the market conditions at the time of signing of the Subscription Agreement.

Ranking of the Subscription Consolidated Shares

The Subscription Consolidated Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all the Consolidated Shares (following the Share Consolidation) in issue at the date of allotment and issue of the Subscription Consolidated Shares, including the right to any dividends or distributions made or declared on or after the date of allotment and issue of the Subscription Consolidated Shares.

Subscription Conditions

The Subscription Completion is conditional upon fulfillment of the Subscription Conditions set out as follow:

(i) there being no material breach of the representations and warranties of the Company under the terms of the Subscription Agreement;

(ii) no material adverse change in relation to the business, financial or trading position of the Group as a whole having occurred;

(iii) the Independent Shareholders having approved the Relevant Transactions at the EGM;

(iv) the Shareholders having approved the Share Consolidation at the EGM or a separate general meeting of the Shareholders to be held by the Company;

(v) the Share Consolidation having been completed;

(vi) the Company having obtained the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Consolidated Shares, and such approval not having been revoked or cancelled prior to the Subscription Completion;

(vii) the consent of the Executive in relation to the Loan Repayment as a "special deal" under Rule 25 of the Takeovers Code having been obtained and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked prior to the Subscription Completion;

(viii) the compliance of any other requirements imposed by the Stock Exchange and/or the SFC in relation to the Subscription and the allotment and issue of the Subscription Consolidated Shares, whether under the Listing Rules, the Takeovers Code or otherwise; and

(ix) the approval from the SFC allowing the Subscriber and its shareholder(s) to become substantial shareholders of Green Securities Limited and Green Asset Management Limited in accordance with their respective licensing requirements under the SFO.

The Company shall use its best endeavors to procure the fulfillment of the above Subscription Conditions. The parties to the Subscription Agreement shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by the Stock Exchange and/or the SFC in connection with the fulfillment of such Subscription Conditions. The Subscriber may at its discretion waive the Subscription Conditions (i) and (ii) above. The other Subscription Conditions cannot be waived by either party to the Subscription Agreement.

In the event that not all the Subscription Conditions have been fulfilled or, where permissible, waived on or before the Long Stop Date of 30 April 2019, then unless the Long Stop Date is extended by mutual consent of the Company and the Subscriber, the Subscription Agreement shall terminate and lapse, and the Company and the Subscriber shall be released from all obligations thereunder and neither party shall have any claim against the other save for any antecedent breaches of the Subscription Agreement.

As at the Latest Practicable Date, none of the Subscription Conditions had been fulfilled.

Subscription Completion

Subscription Completion shall take place within five business days after the date upon which the last of the Subscription Conditions is satisfied (or, where permissible, waived) or such other time and date as the Company and the Subscriber may mutually agree.

LOCK-UP UNDERTAKING

The Subscriber undertakes to and covenants with the Company that, unless in compliance with the requirements of the Listing Rules, the Subscriber shall not, in the period commencing on the date of the Subscription Completion and ending on the date which is 12 months from the date of the Subscription Completion, dispose of, or enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Subscription Consolidated Shares (the "**Lock-up Undertaking**").

SPECIFIC MANDATE

The Subscription Consolidated Shares will be allotted and issued under the Specific Mandate to be obtained from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Consolidated Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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.

As disclosed in the interim report of the Group for the six months ended 30 June 2018 (the "**2018 Interim Report**"), the Group recorded net current liabilities of approximately HK$27.2 million as at 30 June 2018. As at 30 June 2018, the bank balances (general accounts) and cash of the Group amounted to approximately HK$45.5 million, of which approximately HK$12.0 million was subsequently remitted to the Group's PRC subsidiaries in July 2018 to sustain their operations and development, approximately HK$9.5 million was required as liquid capital to be maintained by the

Group's licensed financial services subsidiaries, approximately HK$12.3 million was subsequently applied in July 2018 for the repayment of certain promissory note and convertible bonds and approximately HK$11.7 million was subsequently applied in August 2018 for settlement of the Group's general corporate expenses and professional fees.

To replenish the Group's working capital following the utilization of cash and bank balance between July and August 2018 as stated above, the Company entered into a loan agreement with HK Yinger (a company which is wholly-owned by Mr. Yu) on 13 August 2018 pursuant to which HK Yinger granted a six-months loan for up to HK$30,000,000 under the HK Yinger Loan Facility, details of which were disclosed in the Company's announcement dated 13 August 2018. In August 2018, the HK Yinger Loan Facility was fully drawn down by the Company for use in further capital injection to the Group's PRC subsidiaries and settlement of interest expenses, general corporate expenses and professional fees between August 2018 and now.

Apart from the HK Yinger Loan Facility which is imminently due for repayment, the Company also intends to set aside: (i) approximately HK$15 million for the cash redemption of the Qianhai 2016 CB upon its maturity in April 2019, given that the market price of the Existing Shares are trading significantly lower than the conversion price of the Qianhai 2016 CB; and (ii) approximately HK$64 million for repaying debts carrying interest of 5% per annum or above in order to save finance costs for the Group.

In view of the net current liabilities of the Group recorded as at 30 June 2018, the loss-making situation of the Group since 2013, the debts and liabilities becoming due imminently including the HK Yinger Loan Facility and the Qianhai 2016 CB and to save financial costs on interest-bearing debts of the Group, it is desirable for the Company to implement a sizeable equity fund raising to strengthen the Group's financial position in preparation for its future development. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the holder of the Qianhai 2016 CB is not a Shareholder of the Company.

The Board has considered various fund raising methods including long term bank borrowing, placement of Shares to independent third parties, rights issue, open offer and the Subscription. In respect of long-term bank borrowings of meaningful loan size, the Company was given to understand that commercial banks generally requested for the provision of real estate properties as collateral to fortify the loan, which the Company was unable to give. In addition, the Group would have to bear significant interest expenses if it is to take out a meaningful loan size, which runs against the whole purpose of reducing financial costs of the Group to alleviate the Company's loss-making situation. As regards equity fund raising exercises (such as placement of the Shares to independent third parties, rights issue and/or open offer), the Company has approached several securities brokerage firms about the possibility and feasibility of acting as placing agent or underwriter of the Company, and was given to understand that the securities brokerage firms generally requested a placing/underwriting commission ranging from 2.5% to 5.0% based on the fund raising size, and a significant discount on the placing/subscription price so as to increase the attractiveness of the equity fund raising exercise. In addition, any placing would only be conducted on best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from the placing being uncertain and subject to market condition.

Having considered the restrictions of the alternative fund raising methods as discussed above, only the Subscriber expressed its willingness to subscribe for the Subscription Consolidated Shares at a modest premium to the prevailing market price. The Subscription enables the Company to raise a meaningful size of proceeds which matches its capital needs and to issue the Shares above the prevailing market price and save the finance cost or commission which the Group would have otherwise needed to incur if other fund raising methods were to be adopted. In addition, the Company has managed to obtain the Lock-up Undertaking whereby the Subscriber undertook not to dispose of the Subscription Consolidated Shares for a period of 12 months after the Subscription Completion, as a result of which the immediate selling pressure of the Shares is eased and the benefit of the Share Consolidation in bringing about an upward adjustment in the market price of the Consolidated Shares is best preserved to avoid the need of any repeated corporate actions in the near future.

The gross proceeds and net proceeds (after deducting costs and expenses incidental to the Subscription and the Offers) to be raised from the Subscription are expected to be approximately HK$160 million and HK$156 million, respectively. The net subscription price per Subscription Consolidated Share is approximately HK$0.207 (equivalent to approximately HK$0.052 per Existing Share prior to the Share Consolidation). The Board intends to apply the net proceeds as to: (a) approximately HK$31 million for repaying the principal and interest incurred and to be incurred from the HK Yinger Loan Facility up to the maturity date of the HK Yinger Loan Facility (i.e. 12 February 2019) in an aggregate amount of HK$30,975,000, which will be offset against the aggregated Subscription amount payable by the Subscriber to the Company in relation to the Subscription; (b) approximately HK$15 million for the possible cash redemption of the Qianhai 2016 CB which will mature in April 2019; (c) approximately HK$64 million being set aside for meeting repayment obligations of debts and liabilities of the Group; (d) approximately HK$8 million for replenishing the capital requirements of the financial services companies of the Group; and (e) approximately HK$38 million for the Group's general corporate expenses (such as salaries, rental expenses and professional fees) for the next twelve months.

The Directors consider that the Subscription represents a straightforward and cost-effective means of financing for the Group. The Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser, and except Mr. Yu and Mr. Chen who abstained from voting due to Mr. Yu's material interest in the Relevant Transactions and Mr. Chen's perceived conflict arising from his directorship in HK Yinger) are of the view that the terms of the Relevant Transactions (including the Subscription Price) are fair and reasonable and on normal commercial terms and the entering into of the Relevant Transactions is in the interests of the Company and its Shareholders (including the Independent Shareholders) as a whole.

Mr. Yu (an executive Director, the chairman of the Board and a director and a beneficial owner of HK Yinger) and Mr. Chen (an executive Director and a director of HK Yinger) abstained from voting on Board level regarding the Relevant Transactions. Save for Mr. Yu and Mr. Chen, no other Director regarded himself to have a material interest or perceived conflict in the Relevant Transactions which requires him to disclose his interest and/or to abstain from voting on Board level regarding the Relevant Transactions.

FINANCIAL EFFECTS OF THE SUBSCRIPTION

Effect on cash and working capital

As disclosed in the 2018 Interim Report, the bank balances (general accounts) and cash and net current liabilities of the Group amounted to approximately HK$45.5 million and approximately HK$27.2 million, respectively, as at 30 June 2018. Immediately following Subscription Completion, the bank balances (general accounts) and cash of the Group will be increased by approximately HK$125 million (being the net proceeds of the Subscription after deducting costs and expenses incidental to the Subscription and Offers, and offsetting the principal and interest incurred and to be incurred from the HK Yinger Loan Facility up to the maturity date of the HK Yinger Loan Facility in an aggregate amount of approximately HK$31 million) and it is expected that the Group will change from a net current liabilities position to a net current assets position.

Effect on net assets value

According to the 2018 Interim Report, the unaudited consolidated net assets attributable to the Shareholders amounted to approximately HK$71.7 million as at 30 June 2018. Immediately following Subscription Completion, it is expected that the net assets attributable to the Shareholders will be increased by the net proceeds of the Subscription of approximately HK$156 million. Accordingly, the Subscription is expected to have a positive impact on the net asset of the Group.

INFORMATION OF THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. The Subscriber 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. As at the Latest Practicable Date, the entire issued share capital of the Subscriber was 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 Subscriber. 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 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) 987,697,627 Existing 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) 705,882,352 underlying Existing 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; and (c) 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) to be alloted 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.

Upon the Subscription Completion, the Subscriber will become a controlling shareholder of the Company. The Subscriber intends to continue the existing businesses of the Group. The Subscriber 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.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
27 November 2018	Subscription of 466,000,000 Existing Shares at HK$0.053 per Existing Share under general mandate, which was completed on 5 December 2018	Approximately HK$24.5 million	To repay debts and to meet the Group's liabilities when they fall due	Remained unutilised as at the Latest Practicable Date
26 January 2018	Subscription of the 6% per annum Zheyin Tianqin CB in the principal amount of HK$60 million under specific mandate, which was completed on 19 April 2018	Approximately HK$59.1 million	For settlement of the Group's debts as they fall due and/or general working capital	Fully utilised as intended
26 January 2018	Subscription of the HK Yinger CB in the principal amount of HK$120 million under specific mandate, which was completed on 23 March 2018	Approximately HK$118.2 million	For the repayment and set-off of the principal of two loans granted by HK Yinger to the Company in June and October 2017, respectively, in the aggregate principal amount of HK$120 million	Fully utilised as intended

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Subscription Completion assuming that the Share Consolidation is completed and that there is no other change in the issued share capital of the Company between the Latest Practicable Date and the Subscription Completion Date (save and except the Subscription and the Share Consolidation):

	As at the Latest Practicable Date		Immediately after the Subscription Completion (assuming the Share Consolidation is completed)	
	No. of Existing Shares	*%*	*No. of Consolidated Shares*	*%*
The Subscriber *(Note 1)*	—	—	754,716,981	51.23
Gold Bless *(Note 2)*	987,697,627	34.36	246,924,406	16.76
Sub-total of the Subscriber and parties acting in concert with it (other than Mr. Liu)	***987,697,627***	***34.36***	***1,001,641,387***	***67.99***
Mr. Liu *(Note 3)*	251,460,000	8.75	62,865,000	4.27
Sub-total of the Subscriber and parties acting in concert with it and connected persons	***1,239,157,627***	***43.11***	***1,064,506,387***	***72.25***
Public shareholders	1,635,039,029	56.89	408,759,758	27.75
Total	**2,874,196,656**	**100.00**	**1,473,266,145**	**100.00**

Notes:

1. The Subscriber is wholly owned by Ms. Zhou.

2. 987,697,627 Existing 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.

   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 987,697,627 Existing Shares held by Gold Bless are maintained with a licensed financial institution ("**Gold Bless' Stock Brokerage**"); 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 987,697,627 Existing Shares held by Gold Bless until further order or the conclusion of the Gold Bless Litigation.

3. Mr. Liu is an executive Director. These 251,460,000 Existing Shares deemed to be interested by Mr. Liu comprised (a) 91,460,000 Existing Shares held by Mr. Liu personally; and (b) 160,000,000 Existing 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 Subscriber under class (6) presumption under the definition of "acting in concert" under the Takeovers Code until the close of the Offers.

IMPLICATIONS UNDER THE LISTING RULES AND TAKEOVERS CODE

As at the Latest Practicable Date, the entire issued share capital of the Subscriber was wholly-owned by Ms. Zhou, who is the spouse of Mr. Yu, an executive Director and the chairman of the Board. The Subscriber is therefore considered as a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon the Subscription Completion, the shareholding of the Subscriber will increase from nil to approximately 51.2% of the issued share capital and total voting rights of the Company as enlarged by the Subscription Consolidated Shares, while the shareholding of the Subscriber and parties acting in concert with it (excluding Mr. Liu) will increase from approximately 34.4% to approximately 68.0% of the issued share capital and total voting rights of the Company as enlarged by the Subscription Consolidated Shares, assuming that there is no other change in the Company's issued share capital between the Latest Practicable Date and the Subscription Completion Date save and except for the Subscription and the Share Consolidation. Pursuant to Rule 26.1 of the Takeovers Code, immediately after the Subscription Completion, the Subscriber will be 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 Subscriber) and to cancel all the outstanding share options of the Company.

As stated in the Joint Announcement, it is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in a composite offer and response document (the "**Composite Document**"). Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the

Independent Shareholders in relation to the Offers, together with the forms of acceptance, is required to be dispatched to the Shareholders within 21 days of the date of the Joint Announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive, and in compliance with the requirements of the Takeovers Code and other applicable regulations. As the making of the Offers is conditional on the Subscription Completion, an application has been made to seek for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the dispatch of the Composite Document to a date falling within seven days after the Subscription Completion or 15 May 2019, whichever is earlier (or such other date as the Executive may approve). The Executive has grant such consent on 11 February 2019.

Further announcement(s) will be made when the Composite Document is dispatched. Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers, before deciding whether or not to accept the Offers.

SPECIAL DEAL IN RELATION TO LOAN REPAYMENT

On 13 August 2018, HK Yinger (a company which is wholly-owned by Mr. Yu) entered into a loan agreement with the Company, pursuant to which HK Yinger granted a six-months, 6.5% per annum loan in the principal amount of up to HK$30,000,000 under the HK Yinger Loan Facility. As disclosed in the Company's announcement dated 13 August 2018, the Board (including all independent non-executive Directors who attended the Board meeting but excluding Mr. Yu and Mr. Chen who abstained from voting at the Board meeting due to their directorship in HK Yinger and deemed interest in the transaction) was of the view that the provision of the HK Yinger Loan Facility was conducted on normal commercial terms or better to the Company. Under Rule 14A.90 of the Listing Rules, the HK Yinger Loan Facility was fully exempt from all disclosure, annual review, circular and shareholders' approval requirements of the Listing Rules.

As at the Latest Practicable Date, the maximum loan amount of HK$30,000,000 under the HK Yinger Loan Facility was fully drawn down. The outstanding principal and interest under the HK Yinger Loan Facility shall be repayable by the Company in or around February 2019. Under the terms of the Subscription Agreement, the Company is entitled to set off the outstanding principal and interest on the HK Yinger Loan Facility from the consideration for the Subscription Consolidated Shares to be received by the Company upon the Subscription Completion. On that basis, the Company was informed by HK Yinger that despite the contractual due date in February 2019, no loan call will be made on HK Yinger Loan Facility before the Subscription Completion. As at the Latest Practicable Date, the outstanding principal amount and interest incurred from the HK Yinger Loan Facility amounted to HK$30,975,000.

As disclosed in the section headed "*REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS*" above, the Company intends to apply approximately HK$31 million from the net proceeds of the Subscription to repay the HK Yinger Loan Facility to HK Yinger. HK Yinger is a company wholly-owned by Mr. Yu, who is deemed to be interested in 987,697,627 Existing Shares (representing 34.36% of the existing issued share capital of the Company) due to his 35% direct and indirect shareholding in Gold Bless. As the Loan Repayment is not extended to all the other Shareholders, the Loan Repayment shall constitute a "special deal" under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the Special Deal is arm's length transaction on normal commercial terms and that its terms are fair and reasonable; and (ii) the Special Deal is approved at the EGM by way of poll by the Independent Shareholders. An application has been made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the Relevant Transactions. In compliance with the Listing Rules, the relevant resolution will be voted on by way of poll at the EGM.

Only the Independent Shareholders will be eligible to vote on the relevant resolution relating to the Subscription, the Specific Mandate and the Special Deal. The Subscriber and (i) 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 Subscriber, 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 Subscriber during the Offers; (iii) any Shareholders who have a material interest in the Subscription and the Specific Mandate; and (iv) any Shareholders who are involved in or interested in the Subscription or the Special Deal (otherwise than solely as Shareholders), are required to abstain from voting on the relevant resolution at the EGM.

As at the Latest Practicable Date, (a) Mr. Yu and his immediate family (including Ms. Zhou) did not own any Shares; (b) the Subscriber did not own any Shares; (c) Fluent Robust (a company wholly-owned by HK Yinger) owned the HK Yinger CB in the principal amount of HK$120,000,000 carrying conversion right to convert into 705,882,352 Existing Shares at the conversion price of HK$0.17 per Existing Share, but has provided irrevocable undertaking to the Company not to convert any portion of the HK Yinger CB into Shares or transfer wholly or partly of the HK Yinger CB to others prior to the EGM and the close of the Offers; (d) Gold Bless, a party presumed to be acting in concert with the Offeror, owned 987,697,627 Existing Shares (the "**Gold Bless Abstaining Shares**"); (e) Mr. Liu and Smoothly Good, being parties 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, collectively owned 251,460,000 Existing Shares; and (f) save for Gold Bless, Mr. Liu and Smoothly Good, the Subscriber and parties acting and presumed to be acting in concert with it did not hold any Existing Shares.

In accordance with the Listing Rules, Gold Bless will be required to abstain from voting on the resolution in respect of the Subscription at the EGM. Pursuant to the order granted by the High Court of Hong Kong (the "**High Court Order**"), Gold Bless has undertaken to Mr. Yu that it cannot exercise the voting rights in respect of the Gold Bless Abstaining Shares ("**Gold Bless' Voting Restriction**") without first consulting Mr. Yu and obtaining Mr. Yu's written consent, pending the Court's final judgment on the Gold Bless Litigation. After consulting his legal advisers, Mr. Yu confirmed to the Company that it is unlikely that the Gold Bless Litigation will reach its final judgment regarding the decision on the ownership of the Disputed Gold Bless Shareholding before the date of the EGM. Mr. Yu has confirmed to the Company that if Gold Bless ever come to seek his instruction on the voting direction at the EGM, he will indicate his voting direction to abstain from voting at the resolution in respect of the Subscription in compliance with the Listing Rules. In addition, Mr. Yu confirmed to the Company that he has served a sealed copy of the High Court Order upon Gold Bless' Stock Brokerage such that Gold Bless' Stock Brokerage, being a sizeable licensed financial institution in Hong Kong, is already aware of Gold Bless' Voting Restriction. Mr. Yu will, simultaneously with the date of dispatch of this circular, dispatch a notice to Gold Bless' Stock Brokerage reminding it that: (a) under the High Court Order, the Gold Bless Abstaining Shares maintained by Gold Bless with Gold Bless' Stock Brokerage cannot be dealt with by Mr. Yang and should not be put to vote without Mr. Yu's consent; and (b) Gold Bless is required to abstain from voting on the resolution in respect of the Subscription at the EGM. Therefore, Mr. Yu considers that he not only has the power but also has taken all necessary measures to ensure that the voting right of the Gold Bless Abstaining Shares will not be cast at the EGM in contravention of the Listing Rules requirement for Gold Bless to abstain from voting in respect of the relevant resolution at the EGM.

Under Article 76(2) of the articles of association of the Company, where the Company has any knowledge that any member is, under the rules of the designated stock exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. The Company will instruct the proxy and vote taker and scrutineer of the EGM to bring to the attention of the chairman of the EGM any votes purported to be cast on Shares by Gold Bless, such that the chairman of the EGM will disregard those votes and disclose the chairman's decision at the voting results announcement of the EGM. Under Article 77 of the articles of association of the Company, the decision of the chairman on matters relating to voter's qualification, counting and disregarding of votes shall be final and conclusive.

Mr. Liu is a fellow Director of Mr. Yu in the offeree company during the offer period and regards himself to be involved in the obtaining of the HK Yinger Loan Facility and the proposed Loan Repayment. In addition, 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 Subscriber under class (6) presumption under the definition of "acting in concert" under the Takeovers Code until the close of the Offers. As at the Latest Practicable Date, Mr. Liu, through himself and Smoothly Good (a company wholly-owned by

Mr. Liu), collectively held 251,460,000 Existing Shares, representing approximately 8.75% of the total issued share capital of the Company. Mr. Liu and Smoothly Good have provided irrevocable undertakings to the Company to abstain from voting at the EGM in respect of the Subscription, the Specific Mandate and the Special Deal.

Under the terms of the Charm Eastern Acquisition and the deed of 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 78,125,000 Existing Shares upon conversion of the 1st Ample Reach CB are currently put in escrow with the Company pending the determination of the extent of satisfaction of the second and third profit guarantees of Charm Eastern Acquisition. Ample Reach has provided an irrevocable undertaking to the Company to abstain from voting at the EGM in respect of the Subscription, the Specific Mandate and the Special Deal.

Save as disclosed above, there are no other Shareholders who have a material interest in the Relevant Transactions or are required under the Listing Rules or the Takeovers Code, or indicated to the Company of his/her/its intention, to abstain from voting in the relevant resolutions at the EGM.

WARNING

Shareholders should take note that the Subscription Agreement and the transactions contemplated thereunder are subject to the fulfillment and/or waiver, as applicable, of the Subscription Conditions. As such, the Subscription Agreement and the transactions contemplated thereunder may or may not proceed.

The Offers will be made only if the Subscription Completion takes place. Accordingly, the Offers may or may not be made.

RECOMMENDATION

The Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) consider that the Relevant Transactions are fair and reasonable and are in the interests of the Company and the Shareholders (including the Independent Shareholders) as a whole. Accordingly, the Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) recommend the Independent Shareholders to vote for the resolution to approve the Relevant Transactions of the EGM. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolution(s) relating to the Relevant Transactions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular and the notice convening the EGM.

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

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)

1 March 2019

To the Independent Shareholders

Dear Sir or Madam,

A. CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND B. SPECIAL DEAL IN RELATION TO LOAN REPAYMENT

We have been appointed to form an independent board committee to consider and advise you on the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) and the Special Deal, details of which are set out in the circular issued by the Company to the Shareholders dated 1 March 2019 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 7 to 22 and pages 24 to 47 of the Circular, respectively, and the additional information set out in the appendix to the Circular.

Having taken into account the background of and reasons for the Relevant Transactions and having taken into consideration of the advice of the Independent Financial Adviser, in relation thereto as set out on pages 24 to 47 of the Circular, we concur with the view of the Independent Financial Adviser and consider that the Relevant Transactions are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Relevant Transactions.

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*

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

红日资本有限公司
RED SUN CAPITAL LIMITED

1 March 2019

To: The Independent Board Committee and the Independent Shareholders of Green International Holdings Limited

Dear Sirs,

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND SPECIAL DEAL IN RELATION TO LOAN REPAYMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) and the Special Deal, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company to the Shareholders dated 1 March 2019 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the Company's announcement dated 1 February 2019 in relation to the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate) and the Special Deal. On 25 January 2019 (after trading hours of the Stock Exchange), the Company (as issuer) entered into the Subscription Agreement with Subscriber pursuant to which, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 754,716,981 Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) at the Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation).

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, the entire issued share capital of the Subscriber is wholly-owned by Ms. Zhou, the spouse of Mr. Yu, an executive Director and the chairman of the Board, and is therefore a connected person of the Company and hence, the Subscription constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon the Subscription Completion, the shareholding of the Subscriber will increase from nil to approximately 51.2% of the issued share capital and total voting rights of the Company as enlarged by the Subscription Completion. Pursuant to Rule 26.1 of the Takeovers Code, immediately after the Subscription Completion, the Subscriber will be required to make a mandatory general offer for all the issued securities of the Company (other than those agreed to be acquired by the Subscriber and parties acting in concert with them or parties irrevocably undertaken not to accept the Offers).

In addition, the Company intends to apply approximately HK$31.0 million from the net proceeds of the Subscription to repay the HK Yinger Loan Facility. As the Loan Repayment is not extended to all the other Shareholders, the Loan Repayment shall constitute a "special deal" under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code.

An Independent Board Committee comprising all independent non-executive Directors, namely, Mr. Wu Hong, Mr. David Tsoi, and Mr. Wang Chunlin, has been formed to advise the Independent Shareholders on the Relevant Transactions. All members of the Independent Board Committee have confirmed to the Company that they are independent with respect to the Relevant Transactions and are thus suitable to give advice and recommendation to the Independent Shareholders.

Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee. We do not by this letter warrant the merits of the above transaction other than to form an opinion for the purpose of the Listing Rules. Our role as the Independent Financial Adviser is to give our recommendation to the Independent Board Committee and the Independent Shareholders as to whether or not (i) the Relevant Transactions were in in the ordinary and usual course of the business of the Company and on normal commercial terms; and (ii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Relevant Transactions at the EGM.

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 two 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. Apart from the abovementioned role of independent financial adviser and acting as the Independent Financial Adviser in relation to the non-exercise of the Sell-Back Right, 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 Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular 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 Circular 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 Circular, 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 Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any statement contained in the Circular, including this letter, incorrect or misleading.

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 of the Company, 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Subscription Agreement and the Special Deal, we have taken into consideration the following principal factors and reasons:

(1) Reasons for entering into the Subscription Agreement and the Special Deal

a) 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 2017 and for the six months ended 30 June 2018 as extracted from (i) the annual report of the Company for the year ended 31 December 2017 (the "**2017 Annual Report**"); and (ii) the interim report of the Company for the six months ended 30 June 2018 (the "**2018 Interim Report**"):

	For the six months ended 30 June			**For the year ended 31 December**		
	2018	**2017**	**Change**	**2017**	**2016**	**Change**
	HK$'000	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*%*
	(unaudited)	*(unaudited)*		*(audited)*	*(audited)*	
Revenue	41,073	22,233	84.7	54,320	46,960	15.7
Gross profit	30,279	17,278	75.2	44,501	38,147	16.6
(Loss) for the year/period	(28,774)	(50,610)	(43.1)	(322,239)	(132,943)	142.4

		As at 30 June			**As at 31 December**		
	Change (31 December 2017 compared to 30 June 2018)	**2018**	**2017**	**Change**	**2017**	**2016**	**Change**
	%	*HK$'000*	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*%*
		(unaudited)	*(unaudited)*		*(audited)*	*(audited)*	
Bank balances (general accounts) and cash	72.1	45,536	15,538	193.1	26,458	24,514	7.9
Net current (liabilities)/assets	(84.0)	(27,153)	109,625	Not applicable	(169,817)	148,131	Not applicable
Total equity	Not applicable	84,801	168,132	(49.6)	(80,069)	244,782	Not applicable

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 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.

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 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 six months ended 30 June 2017 and 2018

The Group recorded revenue of approximately HK$41.1 million for the six months ended 30 June 2018, representing an increase of approximately 84.7% as compared to approximately HK$22.2 million for the six months ended 30 June 2017. According to the 2018 Interim Report, the increase in revenue was mainly attributable to the increase in revenue generated from the Group's health, medical and related business of approximately HK$13.8 million, which was mainly due to the financial impact resulted in the implementation of cost-control policies by the Group's clubhouse business in the PRC since June 2017.

The Groups recorded loss for the six months ended 30 June 2018 of approximately HK$28.8 million, representing a decrease in loss of approximately 43.1% as compared to loss for the year ended 30 June 2017 of approximately HK$50.6 million. Such improvement was mainly attributable to the overall financial performance of the business segments of health and medical business and beauty and wellness business improved during the six months ended 30 June 2018.

As at 30 June 2018, the Group recorded (i) bank and cash balance of approximately HK$45.5 million, representing an increase of approximately 193.1% as compared to HK$15.5 million as at 30 June 2017; (ii) net current liabilities of approximately HK$27.2 million, as compared to net current asset of HK$109.6 million as at 30 June 2017; and (iii) total equity of approximately HK$84.8 million, as compared to total equity of approximately HK$168.1 million as at 30 June 2017. Such decrease was mainly attributable to the combined effect of (i) goodwill of approximately HK$54.2 million; and (ii) increase in bank balance of approximately HK$30.0 million.

As at 31 December 2017 and 30 June 2018

As at 30 June 2018, the Group recorded (i) bank and cash balance of approximately HK$45.5 million, representing an increase of approximately 72.1% as compared to HK$26.5 million as at 31 December 2017; (ii) net current liabilities of approximately HK$27.2 million, representing a decrease of approximately 84.0% as compared to net current liabilities of HK$169.8 million as at 31 December 2017; and (iii) total equity of approximately HK$84.8 million, as compared to total equity of approximately negative HK$80.1 million as at 31 December 2017. The improvement of total equity as at 30 June 2018 was mainly attributable the combined effect of (i) goodwill of approximately HK$54.2 million; and (ii) increase in bank balance of approximately HK$19.0 million; and partly offset by (iii) the increase in obligations under finance lease of approximately HK$35.7 million; and (iv) the increase in financial liabilities at fair value through profit or loss of approximately HK$1.6 million.

b) 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. 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.

As set out in the Board Letter, 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.

As set out in the Board Letter, 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 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) 987,697,627 Existing 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) 705,882,352 underlying Existing 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; and (c) 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) to be alloted 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 Board Letter, upon the Subscription Completion, the Offeror will become a controlling Shareholder. 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.

c) Reasons for the entering into the Subscription Agreement

As disclosed in the 2018 Interim Report, as at 30 June 2018, the Group recorded net current liabilities of approximately HK$27.2 million, and bank balances (general accounts) and cash of approximately HK$45.5 million, of which (i) approximately HK$12.0 million was subsequently remitted to the Group's PRC subsidiaries in July 2018 to sustain their operations and development; (ii) approximately HK$9.5 million was required as liquid capital to be maintained by the Group's licensed financial services subsidiaries; (iii) approximately HK$12.3 million was subsequently applied in July 2018 for the repayment of certain promissory note and convertible bonds; and (iv) approximately HK$11.7 million was subsequently applied in August 2018 for settlement of the Group's general corporate expenses and professional fees.

As stated in the Board Letter, to replenish the Group's working capital following the utilization of cash and bank balance between July and August 2018 as stated above, the Company entered into a loan agreement with HK Yinger (a company which is wholly-owned by Mr. Yu) on 13 August 2018 pursuant to which HK Yinger granted a six-months loan for up to HK$30,000,000 under the HK Yinger Loan Facility, details of which were disclosed in the Company's announcement dated 13 August 2018. Between then and the Latest Practicable Date, the HK Yinger Loan Facility was fully drawn down for use in further capital injection to the Group's PRC subsidiaries and settlement of interest expenses, general corporate expenses and professional fees between August 2018 and the Latest Practicable Date.

As stated in the Board Letter, apart from the HK Yinger Loan Facility which is due for repayable in or around February 2019, the Company also intends to set aside: (i) approximately HK$15 million for the cash redemption of the Qianhai 2016 CB upon its maturity in April 2019, given that the market price of the Existing Shares are trading significantly lower than the conversion price of the Qianhai 2016 CB; and (ii) approximately HK$64 million for repaying debts carrying interest of 5% per annum or above in order to save finance costs for the Group.

As stated in the Board Letter, in view of (i) the net current liabilities of the Group recorded as at 30 June 2018; (ii) the loss-making situation of the Group since 2013; (iii) the debts and liabilities becoming due imminently including the HK Yinger Loan Facility and the Qianhai 2016 CB; and (iv) to save financial costs on interest-bearing debts of the Group, it is desirable for the Company to implement a sizeable equity fund raising to strengthen the Group's financial position in preparation for its future development. We have discussed with the Management, and we were given to understand that, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the holder of Qianhai 2016 CB is not a Shareholder of the Company.

Based on the foregoing, after taking into account (i) the reasons and benefits and the intended usage of the proceeds from the Subscriptions; (ii) for the repayment of the principal and interest incurred and to be incurred from the HK Yinger Loan Facility up to the maturity date of the HK Yinger Loan Facility in February 2019; (iii) the possible cash redemption of the Qianhai 2016 CB which will mature in April 2019; (iv) the repayment obligations of debts and liabilities; (v) replenishing the capital requirements of the financial services companies of the Group; and (vi) the general corporate expenses for the next twelve months, we concur with the view of the Directors that (a) it is critical for the Company's survival to maintain sufficient cash flow to satisfy its repayment obligations for the HK Yinger Loan Facility falling due in April 2019; (b) the possible conversion of the Qianhai 2016 CB, in particular, given the market price of the Existing Shares are trading significantly lower than the conversion price of the Qianhai 2016 CB; (c) the possible dilution effect on the shareholding interests of the existing public Shareholders as a result of the Subscription as set out in the section headed "Possible dilution effect on the shareholding interests of the existing public Shareholders" of this letter is outweighed by the benefit conferred to the Company and its shareholders as explained in points (a) and (b) above; and (d) the Subscriptions will provide the Group necessary financial resources in a timely manner to ease the liquidity pressure and strengthen the financial position of the Group.

The Management has considered other fund raising alternatives before resolving to the Subscription, such as debt financing and other equity financing. In respect of debt financing, the Company had approached two commercial banks in Hong Kong to explore loan opportunities. However, as discussed with the Management, we are given to understand that, since the Company would not be able to provide any real estate properties collateral and recorded a loss for the year ended 31 December 2017, it is difficult for the Company to be granted for a loan with meaningful size.

As set out in the Board Letter, the Board has considered various fund raising methods including long term bank borrowing, placement of Shares to independent third parties, rights issue, open offer and the Subscription. In respect of long-term bank borrowings of meaningful loan size, the Company was given to understand that commercial banks generally requested for the provision of real estate properties as collateral to fortify the loan, which the Company was unable to give. In addition, the Group would have to bear significant interest expenses if it is to take out a meaningful loan size, which runs against the whole purpose of reducing financial costs of the Group to alleviate the Company's loss-making situation. As regards equity fund raising exercises (such as placement of the Shares to independent third parties, rights issue and/or open offer), the Company has approached three securities brokerage firms which are Independent Third Parties and are licensed corporations under the SFO before entering into the Subscription Agreement about the possibility and feasibility of acting as placing agent or underwriter of the Company, and was given to understand that the securities brokerage firms generally requested a placing/underwriting commission ranging from 2.5% to 5.0%

based on the fund raising size, and a significant discount on the placing/subscription price so as to increase the attractiveness of the equity fund raising exercise. In addition, any placing would only be conducted on best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from the placing being uncertain and subject to market condition.

Having considered the restrictions of the alternative fund raising methods as discussed above, only the Subscriber expressed its willingness to subscribe for the Subscription Consolidated Shares at a modest premium to the prevailing market price. The Subscription enables the Company to raise a meaningful size of proceeds which matches its capital needs and to issue the Shares above the prevailing market price and save the finance cost or commission which the Group would have otherwise needed to incur if other fund raising methods were to be adopted.

Having considered the above, we are of the view and concur with the Directors that the Subscription is an appropriate means of raising additional capital in a timely manner for the Company since (i) the Subscription incurs no interest cost compared to bank borrowing, in particular, it is the purpose of the Company to alleviate the Company's loss-making situation; (ii) the placing/underwriting of rights issue and/or open offer incurs commission expenses between 2.5% and 5.0%, as well as uncertainty in relation to significant discount amount of proceeds to be raised from the placing/underwriting of rights issue and/or open offer.

The gross proceeds and net proceeds (after deducting costs and expenses incidental to the Subscription and the Offers) to be raised from the Subscription are expected to be approximately HK$160 million and HK$156 million, respectively. The net subscription price per Subscription Consolidated Share is approximately HK$0.207 (equivalent to approximately HK$0.052 per Existing Share prior to the Share Consolidation). The Board intends to apply the net proceeds as to: (a) approximately HK$31 million for repaying the principal and interest incurred and to be incurred from the HK Yinger Loan Facility up to the maturity date of the HK Yinger Loan Facility (i.e. 12 February 2019) in an aggregate amount of HK$30,975,000, which will be offset against the aggregated Subscription amount payable by the Subscriber to the Company in relation to the Subscription; (b) approximately HK$15 million for the possible cash redemption of the Qianhai 2016 CB which will mature in April 2019; (c) approximately HK$64 million being set aside for meeting repayment obligations of debts and liabilities of the Group; (d) approximately HK$8 million for replenishing the capital requirements of the financial services companies of the Group; and (e) approximately HK$38 million for the Group's general corporate expenses (such as salaries, rental expenses and professional fees) for the next twelve months.

The Directors consider that the Subscription represents a straightforward and cost-effective means of financing for the Group. The Directors (other than the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser, and except Mr. Yu and Mr. Chen who abstained from voting due to Mr. Yu's material interest in the Relevant Transactions and Mr. Chen's perceived conflict arising from his directorship in HK Yinger) are of the view that the terms of the Relevant Transactions (including the Subscription Price) are fair and reasonable and on normal commercial terms and the entering into of the Relevant Transactions is in the interests of the Company and its Shareholders (including the Independent Shareholders) as a whole.

Taking into account that (i) the possible additional financial burden incurred by debt financing; (ii) the possible transaction costs and additional costs incurred through conducting a rights issue or an open offer and may require deep discount due to the low trading volume of the Shares which is analysed in the section headed "Trading Liquidity of Shares" below; and (iii) the benefits of the Subscription as described above, and (iv) the Subscriber has indicated its willingness to subscribe for the Subscription Shares with lock-up period while other equity financing alternatives such as rights issue, open offer and placing to Independent Third Parties would incur more transaction costs and relatively time consuming, and bank financing is not available due to the lack of real estate properties as collateral to fortify the loan and the lost-making situation of the Company, we concur with the Directors that it is in the interest of the Company and the Independent Shareholders to raise fund by the Subscription.

Having taken into account (i) need for cash for the repayment of the HK Yinger Loan Facility, the possible cash redemption of the Qianhai 2016 CB, the repayment obligations of debts and liabilities, replenishing the capital requirements of the financial services companies of the Group, and as the general corporate expenses for the next twelve months as discussed above; and (ii) the Subscription represents a straightforward and cost-effective means of financing for the Group as mentioned above, we consider that, despite the entering into of the Subscription Agreement being not in the ordinary and usual course of business of the Group, the entering into the Subscription Agreement is fair and reasonable under the Group's situation.

(2) Principal terms of the Subscription Agreement

Set out below are the principal terms of the Subscription Agreement:

Date

25 January 2019 (after trading hours)

Parties

(a) The Company (as issuer); and

(b) The Subscriber

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, the entire issued share capital of the Subscriber is wholly-owned by Ms. Zhou, who is the spouse of Mr. Yu, an executive Director and the chairman of the Board. The Subscriber is a connected person of the Company.

Subject matter

As disclosed in the Share Consolidation Announcement dated 22 January 2019, the Company proposed to have four issued and unissued Existing Shares of HK$0.01 each to be consolidated into one Consolidated Share of HK$0.04 each.

Pursuant to the Subscription Agreement, 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 Existing Shares prior to the Share Consolidation) at the Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation).

As at the Latest practicable Date, there are 2,874,196,656 Existing Shares in issue (or 718,549,164 Consolidated Shares following the Share Consolidation). The 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) represent (i) approximately 105.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 51.2% of the issued share capital of the Company as enlarged by the 754,716,981 Subscription Consolidated Shares, assuming that there is no other changes in the issued share capital of the Company between the date of the Subscription Agreement and the Subscription Completion Date (except the Subscription and the Share Consolidation).

Ranking of the Subscription Consolidated Shares

The Subscription Consolidated Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all the Consolidated Shares (following the Share Consolidation) in issue at the date of allotment and issue of the Subscription Consolidated Shares, including the right to any dividends or distributions made or declared on or after the date of allotment and issue of the Subscription Consolidated Shares.

Subscription Conditions

The Subscription Completion is conditional upon fulfillment of the Subscription Conditions set out as follow:

(i) there being no material breach of the representations and warranties of the Company under the terms of the Subscription Agreement;

(ii) no material adverse change in relation to the business, financial or trading position of the Group as a whole having occurred;

(iii) the Independent Shareholders having approved the Relevant Transactions at the EGM;

(iv) the Shareholders having approved the Share Consolidation at the EGM or a separate general meeting of the Shareholders to be held by the Company;

(v) the Share Consolidation having been completed;

(vi) the Company having obtained the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Consolidated Shares, and such approval not having been revoked or cancelled prior to the Subscription Completion;

(vii) the consent of the Executive in relation to the Loan Repayment as a "special deal" under Rule 25 of the Takeovers Code having been obtained and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked prior to the Subscription Completion;

(viii) the compliance of any other requirements imposed by the Stock Exchange and/or the SFC in relation to the Subscription and the allotment and issue of the Subscription Consolidated Shares, whether under the Listing Rules, the Takeovers Code or otherwise; and

(ix) the approval from the SFC allowing the Subscriber and its shareholder(s) to become substantial shareholders of Green Securities Limited and Green Asset Management Limited in accordance with their respective licensing requirements under the SFO.

The Company shall use its best endeavors to procure the fulfillment of the above Subscription Conditions. The parties to the Subscription Agreement shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by the Stock Exchange and/or the SFC in connection with the fulfillment of such Subscription Conditions. The Subscriber may at its discretion waive the Subscription Conditions (i) and (ii) above. The other Subscription Conditions cannot be waived by either party to the Subscription Agreement.

In the event that not all the Subscription Conditions have been fulfilled on or before the Long Stop Date of 30 April 2019, then unless the Long Stop Date is extended by mutual consent of the Company and the Subscriber, the Subscription Agreement shall terminate and lapse, and the Company and the Subscriber shall be released from all obligations thereunder and neither party shall have any claim against the other save for any antecedent breaches of the Subscription Agreement.

As at the Latest practicable Date, none of the Subscription Conditions have been fulfilled.

Subscription Completion

Subscription Completion shall take place within five business days after the date upon which the last of the Subscription Conditions is satisfied (or, where permissible, waived) or such other time and date as the Company and the Subscriber may mutually agree.

Lock-up Undertaking

The Subscriber undertakes to and covenants with the Company that, unless in compliance with the requirements of the Listing Rules, the Subscriber shall not, in the period commencing on the date of the Subscription Completion and ending on the date which is 12 months from the date of the Subscription Completion, dispose of, or enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Subscription Consolidated Shares.

(3) Evaluation of the Subscription Price

a) Review on Share price performance

We note that the Subscription Price of HK$0.212 per Subscription Consolidated Share (equivalent to HK$0.053 per Existing Share prior to the Share Consolidation) 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 Existing 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 Existing 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 Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;

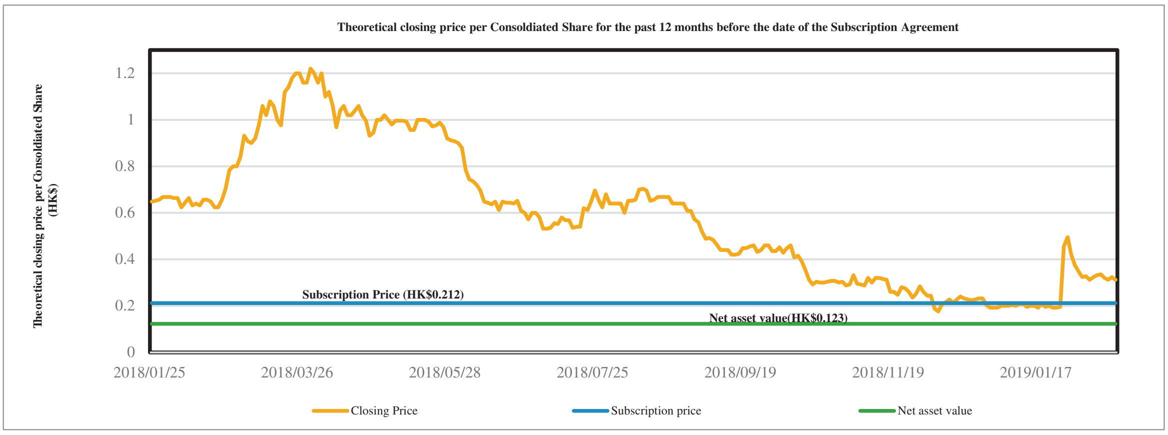
(iv) a discount of approximately 32.05% to the theoretical closing price of HK$0.312 per Consolidated Share, based on the closing price of HK$0.078 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(v) a premium of approximately 72.36% over the theoretical net asset value of HK$0.123 per Consolidated Share, based on the net asset value per Existing Share of approximately HK$0.031 as at 30 June 2018 (please refer to the note below).

Note: The calculations of the net asset value of approximately HK$0.031 per Existing Share are based on: (a) the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK$71,693,000 as at 30 June 2018; and (b) a total of 2,330,071,656 issued Existing Shares as at 30 June 2018.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Existing Shares and the recent market conditions.

We have reviewed the daily closing price of the Existing Shares as quoted on the Stock Exchange (and the relevant theoretical closing price per Consolidated Share) for the twelfth-month period ended on 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**"):



During the Review Period, the theoretical closing price per Consolidated Share ranged from HK$0.18 per Share to HK$1.22 per Share. While the Subscription Price is within such range of the theoretical closing price per Consolidated Share during the Review Period, we note that the Subscription 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 note that the Subscription Price represents a discount over the prevailing theoretical closing price per Consolidated Share in general as analysed above. We consider that the comparison of the Subscription Price with the prevailing theoretical closing price per Consolidated Share is a more relevant analysis than the comparison with historical theoretical closing price per Consolidated Share over the past six to 12 months when determining the fairness and reasonableness of the Subscription Price as the current market price of the Shares can directly reflect the value of shares in prevailing market conditions.

b) Trading liquidity of Shares

We have reviewed the trading volume data in respect of the Shares during the Review Period 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)*	**Average daily trading volume as a percentage of the then total number of Shares in issue as at the end of the relevant month/period** *(Note 2)*
	Number of Share		*Number of Share*	*%*
2018				
January (commencing from 25 January 2018)	7,287,800	5	1,457,560	0.074
February	36,546,361	18	2,030,353	0.103
March	133,196,062	21	6,342,670	0.281
April	23,019,802	19	1,211,569	0.054
May	30,921,500	21	1,472,452	0.063

	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)	Average daily trading volume as a percentage of the then total number of Shares in issue as at the end of the relevant month/period (Note 2)
	Number of Share		*Number of Share*	*%*
June	25,923,000	20	1,796,150	0.077
July	19,183,850	21	913,517	0.039
August	12,027,500	23	522,935	0.022
September	17,025,700	19	896,089	0.037
October	28,390,191	21	1,351,914	0.056
November	78,497,500	22	3,568,068	0.148
December	153,523,000	19	7,132,789	0.248
2019				
January	20,624,000	18	1,145,778	0.040
February (up to the Latest Practicable Date)	389,012,766	15	25,934,184	0.902
			Maximum	**0.902**
			Minimum	**0.022**
			Average	**0.153**
		(Excluding Feb 2019)	**Maximum**	**0.281**
		(Excluding Feb 2019)	**Minimum**	**0.022**
		(Excluding Feb 2019)	**Average**	**0.096**

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 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 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.*

As illustrated from the table above, the average daily trading volume of the Shares during the Review Period was low. The lowest of the Group's average daily trading volume was approximately 522,935 Shares in August 2018 and the highest was approximately 25,934,184 Shares in February 2019. The average daily trading volume of the Shares falls in the range of approximately 0.022% to approximately 0.902% of the total number of issued Shares as at the end of the relevant month/period with an average of approximately 0.153%. It is noted that after the Joint Announcement published on 1 February 2019, the average daily trading volume of the Shares increased to 0.153% and the average daily trading volume increased to approximately 25,934,184 Shares. As confirmed by the Directors, the Company was not aware of any events which would have led to such surge in Share price 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 Shares in August 2018 and the highest was approximately 7,132,789 Shares in December 2018. The average daily trading volume of the Shares falls in the range of approximately 0.022% to approximately 0.2489% of the total number of issued Shares as at the end of the relevant month/period with an average of approximately 0.096%. As such, the trading of the Shares did not appear to be active during the Review Period.

c) Market comparable analysis

For comparison purpose, we have, on a best effort basis, conducted a search of all recent issues of shares by companies listed on the Stock Exchange that were announced during the six-month period prior to the Last Trading Day (the "**Comparable Issues**") by searching through published information on the website of Stock Exchange. Our search criteria include (i) the transactions are connected transactions, (ii) the share issuance are not H-share companies whose share capital structure is different from the Company, and (iii) share issuance are not undertaking a reverse takeover. Based on such criteria, we have identified ten Comparable Issues. We determine the length of our review period based on two major factors: (i) the review period has to be close to the date of Subscription Agreement such that the Comparable Issues are under similar and recent market conditions and sentiment, and (ii) the number of samples covered in the review period has to be sufficient such that the average figures calculated are representive and not significantly affected by any individual comparable. We are of the view that ten Comparable Issues covered in the six-month period are reasonable as they provide more than a few numbers of samples which would be reflective to the market conditions for the comparison. To the best of our knowledge, effort and endeavour and based on our search conducted according to the aforesaid criteria, the list of Comparable Issues is an exhaustive list of issues of shares meeting the aforesaid criteria.

We compared the respective premium/discount over/to the closing price of the shares of such companies on the relevant last trading day/date of relevant subscription agreement (the "**Premium/Discount**") and the last five consecutive trading days immediately prior and/or including the last trading day/date of relevant subscription agreement (the "**Five Days Premium/Discount**") as represented by the subscription price of such Comparable Issues with the corresponding Premium/Discount and Five Days Premium/Discount represented by the Subscription Price. Shareholders should note that the business, operations, prospects and fund raising size of the Group are not the same as the Comparable Issues and the Comparable Issues are only used to provide a general reference for the recent general market practice on the issue of the new shares.

We set out our findings in the table below:

Announcement date of the Comparable Issues	Issuers of the Comparable Issues (stock code)	Premium/(discount) of the subscription price to the closing price of the shares on the last trading day or the date of corresponding agreement	Premium/(discount) of the subscription price to the average closing price of the shares for the last five consecutive trading days immediately prior and/or including the last trading day	Fund raising size	Lock-up period
		%	*%*	*HK$'000*	
14 December 2018	Shenwan Hongyuan (H.K.) Limited (218)	29.3	30.40	1,582,020	No
9 December 2018	Alibaba Pictures Group Limited (1060)	1.63	1.13	1,250,000	No
26 November 2018	Zhuguang Holdings Group Company Limited (1176)	(6.50)	(7.80)	1,001,000	No
26 October 2018	Elife Holdings Limited (223)	6.06	9.83	120,000	6 months
20 August 2018	Ban Loong Holdings Limited (30)	—	(1.21)	180,000	No
31 July 2018	Truly International Holdings Limited (732)	(6.35)	(4.84)	199,184	6 months
30 July 2018	China Putian Food Holding Limited (1699)	(27.10)	(24.70)	40,460	12 months
24 July 2018	Shougang Concord International Enterprises Company Limited (697)	28.87	30.21	850,000	No
3 July 2018	CMBC Capital Holdings Limited (1141)	(18.40)	(19.50)	490,050	No
6 April 2018	Ausnutria Dairy Corporation Ltd (1717)	(20.67)	(17.91)	1,289,820	No
Maximum		**29.30**	**30.40**		
Minimum		**(27.10)**	**(24.70)**		
Average		**(1.32)**	**(0.44)**		
	The Company	**8.16**	**(7.29)**	**160,000**	**12 months**

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

Note: In calculating the average, we have averaged out positive numbers (premiums) with negative numbers (discounts). We consider that such average figure is meaningful as it indicates whether, on average, the subscription price of the Comparable Issues represents a premium (if the average figure is a positive number) or a discount (if the average figure is a negative number) over/to the then prevailing market price of the relevant shares, and the magnitude of such premium or discount.

As illustrated in the table above, we note that the Premium/Discount represented by the subscription prices of the Comparable Issue ranged from a discount of approximately 27.10% to a premium of approximately 29.30%, with an average of a discount of approximately 1.32%. The Premium/Discount represented by the Subscription Price therefore falls within the range of the Premium/Discount of Comparable Issues and is above to the average Premium/Discount of the Comparable Issues. Similarly, the Five Days Premium/Discount represented by the subscription prices of the Comparable Issue ranged from a discount of approximately 24.70% to a premium of approximately 30.40%, with an average of a discount of approximately 0.44%. The Five Days Premium/Discount represented by the Subscription Price therefore falls within the range of the Five Days Premium/Discount of Comparable Issues and is above to the average Five Days Premium/Discount of the Comparable Issues. As such, we are of the view that the Subscription Price is fair and reasonable in this regard.

In addition, we have attempted the adoption of price multiples analysis to further assess the fairness and reasonableness of the Subscription 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, 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, we considered that price-to-earning ratio analysis may not be meaningful.

Furthermore, as set out in the 2018 Interim Report, as at 30 June 2018, the non-current assets contributed to approximately of 68.0% the total assets of Company, nevertheless, the intangible non-current asset (goodwill and trademark user right and technical know-how were attributable to approximately 44.0% of the total asset of the Company. Given that business of providing health, medical and related services as well as beauty, wellness and related services is asset light in nature, while the price-to-book analysis is more suitable for comparing companies that hold substantial non-current tangible assets, we consider that price-to-book analysis for the Company may not be meaningful.

Having taken into account:

(i) the Group is under financial pressure with imminent funding need, which may give rise to worsening of liquidity risk if the Company fails to take remedial action in a timely manner;

(ii) the loss-making situation of the Group since 2013;

(iii) the net current liabilities position of the Group as at 30 June 2018;

(iv) the Subscription Price represents a substantial premium over the theoretical net asset value as at 31 March 2017;

(v) the price of the Shares was in a declining trend during the Review Period;

(vi) the Premium/Discount and Five Days Premium/Discount represented by the Subscription Price falls within the range of the Premium/Discount and Five Days Premium/Discount of the Comparable Issues, respectively, and is above the average Premium/Discount and Five Days Premium/Discount of the Comparable Issues respectively;

(vii) the lock-up period of the Subscription reflecting the confidence and commitment of the Subscriber towards the long-term and sustainable development of the Company, compared to only three out of the ten Comparable Issues with lock-up period; and

(viii) the low liquidity in the trading of the Shares during the Review Period, which may imply that it would be difficult for the Company to further raise funds due to the lack of interest from potential investors,

we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

(4) Financial effects of the Subscription

a) Effect on shareholders' equity

Based on the 2018 Interim Report, the unaudited consolidated shareholders' equity of the Group was approximately HK$84.8 million as at 30 June 2018.

It is expected that the shareholder's equity of the Group will increase immediately upon the Subscription Completion.

b) Effect on working capital

As confirmed by the Directors, immediately upon the Subscription Completion, it is expected that the working capital of the Group will increase.

Having considered that, upon the completion of the Subscription, (i) the net asset value will be increased; and (ii) the working capital will be improved, we are of the view that the Subscription is beneficial to the Group from the financial point of the view.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Subscription Agreement.

(5) Fund raising activities of the Company during the past 12 months

The Company has conducted the following equity fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
27 November 2018	Subscription of 466,000,000 Existing Shares at HK$0.053 per Existing Share under general mandate, which was completed on 5 December 2018	Approximately HK$24.5 million	To repay debts and to meet the Group's liabilities when they fall due	Remained unutilised as at the Latest Practicable Date
26 January 2018	Subscription of the 6% per annum Zheyin Tianqin CB in the principal amount of HK$60 million under specific mandate, which was completed on 19 April 2018	Approximately HK$59.1 million	For settlement of the Group's debts as they fall due and/or general working capital	Fully utilised as intended
26 January 2018	Subscription of the HK Yinger CB in the principal amount of HK$120 million under specific mandate, which was completed on 23 March 2018	Approximately HK$118.2 million	For the repayment and set-off of the principal of two loans granted by HK Yinger to the Company in June and October 2017, respectively, in the aggregate principal amount of HK$120 million	Fully utilised as intended
26 January 2018	Subscription of the 6% per annum convertible bonds in the aggregate principal amount of HK$27.2 million by Mr. Liu Dong, an executive Director, under general mandate, which was completed on 8 February 2018	Approximately HK$26.8 million	For settlement of the Zheyin Tianqin 2017 CB if the Company is called upon to redeem those bonds without conversion, or to apply for settlement of the Group's other debts and/or general working capital if the Zheyin Tianqin 2017 CB are converted without redemption	Fully utilised for settlement of the Group's other debts and/or general working capital as intended, as the Zheyin Tianqin 2017 CB were converted without cash redemption

(6) Possible dilution effect on the shareholding interests of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the Subscription Completion assuming that the Share Consolidation is completed and that there is no other change in the issued share capital of the Company between the Latest Practicable Date and the Subscription Completion Date (save and except the Subscription and the Share Consolidation):

	As at the Latest Practicable Date		**Immediately after the Subscription Completion (assuming the Share Consolidation is completed)**	
	Number of Existing Shares	*%*	*Number of Consolidated Shares*	*%*
The Subscriber *(Note 1)*	—	—	754,716,981	51.23
Gold Bless *(Note 2)*	987,697,627	34.36	246,924,406	16.76
Sub-total of the Subscriber and parties acting in concert with it (other than Mr. Liu)	***987,697,627***	***34.36***	***1,001,641,387***	***67.99***
Mr. Liu *(Note 3)*	251,460,000	8.75	62,865,000	4.27
Sub-total of the Subscriber and parties acting in concert with it and connected persons	***1,239,157,627***	***43.11***	***1,064,506,387***	***72.25***
Public shareholders	1,635,039,029	56.89	408,759,758	27.75
Total	**2,874,196,656**	**100.00**	**1,473,266,145**	**100.00**

Notes:

1. *The Subscriber is wholly owned by Ms. Zhou.*

2. *987,697,627 Existing 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, the sole director of Gold Bless and an ex-director of the Company, as to: (a) 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, 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 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) pursuant to the order of the High Court of Hong Kong, the 987,697,627 Existing Shares held by Gold Bless are maintained with a licensed financial institution until further order or the conclusion of the Gold Bless Litigation; and (iv) pursuant to the order of the High Court of Hong Kong, Mr. Yang and Gold Bless cannot deal with the Disputed Gold Bless Shareholding and with the 987,697,627 Existing Shares held by Gold Bless until further order or the conclusion of the Gold Bless Litigation.*

3. *Mr. Liu is an executive Director. These 251,460,000 Existing Shares deemed to be interested by Mr. Liu comprised (a) 91,460,000 Existing Shares held by Mr. Liu personally; and (b) 160,000,000 Existing 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 Subscriber under class (6) presumption under the definition of "acting in concert" under the Takeovers Code until the close of the Offers.*

Upon Subscription Completion assuming that the Share Consolidation is completed, 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) will be allotted and issued, representing (i) approximately 105.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 51.2% of the issued share capital of the Company as enlarged by the 754,716,981 Subscription Consolidated Shares, and the shareholding interests of the existing public Shareholders would be diluted by approximately 29.1%.

Nonetheless, in view of (i) the benefit of the Subscription of the Group, details of which are set out in the section headed "Reasons for entering into the Subscription Agreement and the Special Deal" of this letter; and (ii) the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

(7) Special deal

As set out in the Board Letter, the Company intends to apply approximately HK$31 million from the net proceeds of the Subscription to repay the HK Yinger Loan Facility to HK Yinger. HK Yinger is a company wholly-owned by Mr. Yu, who is deemed to be interested in 987,697,627 Existing Shares (representing 34.36% of the existing issued share capital of the Company) due to his 35% direct and indirect shareholding in Gold Bless. As the Loan Repayment is not extended to all the other Shareholders, the Loan Repayment shall constitute a "special deal" under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the Special Deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the Special Deal is arm's length transaction on normal commercial terms and that its terms are fair and reasonable; and (ii) the Special Deal is approved at the EGM by way of poll by the Independent Shareholders. An application has been made to the Executive for its consent to the Special Deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

As set out in the Board Letter, to replenish the Group's working capital following the utilization of cash and bank balance between July and August 2018, the Company entered into a loan agreement with HK Yinger on 13 August 2018 pursuant to which HK Yinger granted a six-months loan for up to HK$30,000,000 under the HK Yinger Loan Facility, which was fully drawn down for use in further capital injection to the Group's PRC subsidiaries and settlement of interest expenses, general corporate expenses and professional fees between August 2018 and now, and the outstanding principal and interest under the HK Yinger Loan Facility shall be repayable by the Company in or around February 2019. We have obtained and reviewed the latest consolidated management account of the Company for FY2018 and discussed with the Management the cash position of the Company, taking into account (a) the possible cash redemption of the Qianhai 2016 CB which will mature in April 2019; (b) the cash set aside for meeting repayment obligations of debts and liabilities of the Group; (c) replenishment of capital requirements of the financial services companies of the Group; and (d) the Group's general corporate expenses (such as salaries, rental expenses and professional fees) for the next twelve months , we understand that the cash available is not enough for the repayment of Yinger Loan Facility in February 2019.

In deciding to apply approximately HK$31.0 million out of the net proceeds from the Subscription to repay and offset the outstanding principal and interest of HK Yinger Loan Facility, the Management noticed that: (i) when compared with the other outstanding debts owed by the Company as at the Latest Practicable Date, the maturity date of the HK Yinger Loan Facility (i.e. 12 February 2019) is the first to become past due (as compared to Qianhai 2016 CB which matures on 15 April 2019 and Zheyin Tianqin CB which matures in April 2020); and (ii) if the Company were to further delay the repayment of HK Yinger Loan Facility, it will incur additional interest expense of HK$162,500 per month. In the light of the foregoing, we concur with the view of the Directors that prioritizing the repayment of the HK Yinger Loan Facility is in favour of the overall benefits of the Group.

In addition, the Management has also considered other fund raising alternatives for, among others, the Loan Repayment, before resolving to the Subscription, nevertheless, as discussed above under the paragraph headed "Reasons for the entering into the Subscription Agreement" in this letter, including (i) the possible additional financial burden incurred by debt financing; (ii) the possible transaction costs and additional costs incurred through conducting a rights issue or an open offer and may require deep discount due to the low trading volume of the Shares which is analysed in the section headed "Trading Liquidity of Shares" below; and (iii) the benefits of the Subscription as described above, and (iv) the Subscriber has indicated its willingness to subscribe for the Subscription Shares with lock-up period while other equity financing alternatives such as rights issue, open offer and placing to Independent Third Parties would incur more transaction costs and relatively time consuming, and bank financing is not available due to the lack of real estate properties as collateral to fortify the loan and the lost-making situation of the Company, we concur with the Directors that it is in the interest of the Company and the Independent Shareholders to raise fund for, among others, the Loan Repayment, by the Subscription.

Furthermore, as discussed above under the section headed "Evaluation of the Subscription Price" in this letter Evaluation of the Subscription Price, having taken into account (i) the Subscription Price represents a substantial premium over the theoretical net asset value as at 31 March 2017; (ii) the price of the Shares was in a declining trend during the Review Period; (iii) the Premium/Discount and Five Days Premium/Discount represented by the Subscription Price falls within the range of the Premium/Discount and Five Days Premium/Discount of the Comparable Issues, respectively, and is above the average Premium/Discount and Five Days Premium/Discount of the Comparable Issues respectively; (iv) the lock-up period of the Subscription reflecting the confidence and commitment of the Subscriber towards the long-term and sustainable development of the Company, compared to only three out of the ten Comparable Issues with lock-up period; and (v) the low liquidity in the trading of the Shares during the Review Period, which may imply that it would be difficult for the Company to further raise funds due to the lack of interest from potential investors, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Based on the above, we consider that the Special Deal is arm's length transaction on normal commercial terms and that its terms are fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons stated above, we are of the opinion that (i) Relevant Transactions is not in the ordinary and usual course of business of the Group, it is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole; (ii) the terms of the Offers are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the Relevant Transactions.

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.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(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 Existing Shares or underlying Existing Shares are held	Long positions in Existing Shares and underlying Existing Shares	Approximate percentage of total issued Existing Shares *(Note 3)*
Mr. Yu	Interest of controlled corporations	1,693,579,979 *(Note 1)*	58.92%
	Interest of spouse	3,018,867,924 *(Note 1)*	105.03%
Mr. Liu	Beneficial owner	91,460,000 *(Note 2)*	3.18%
	Interest of controlled corporation	160,000,000 *(Note 2)*	5.57%

Notes:

1. These 4,712,447,903 Existing Shares and underlying Existing Shares deemed to be interested by Mr. Yu comprised:

   (a) 705,882,352 underlying Existing Shares attributable to the 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) 987,697,627 Existing Shares beneficially owned by Gold Bless, a company whose issued Existing 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 987,697,627 Existing 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 987,697,627 Existing Shares held by Gold Bless until further order or the conclusion of the Gold Bless Litigation; and

   (c) 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) to be allotted and issued to the Subscriber (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription.

The deemed interest of Mr. Yu regarding the 705,882,352 underlying Existing Shares attributable to the HK Yinger CB duplicates with those of HK Yinger and Fluent Robust as described in Note 2 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 987,697,627 Existing Shares held by Gold Bless duplicates with those of Gold Bless and Mr. Yang as described in Note 3 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 3,018,867,924 Existing Shares to be held by the Subscriber duplicates with those of the Subscriber 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 251,460,000 Existing Shares deemed to be interested by Mr. Liu comprised (a) 91,460,000 Existing Shares held by Mr. Liu personally; and (b) 160,000,000 Existing Shares held by Smoothly Good, a controlled corporation wholly-owned by Mr. Liu.

   The deemed interest of Mr. Liu regarding the 160,000,000 Existing Shares held by Smoothly Good duplicates with those of Smoothly Good as described in Note 4 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.

3. The percentages are calculated based on the total number of 2,874,196,656 Existing 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 Existing Shares or underlying Existing Shares are held	Long positions in Existing Shares and underlying Existing Shares	Approximate percentage of total issued Existing Shares *(Note 7)*
Ms. Zhou	Interest of controlled corporation	3,018,867,924 *(Note 1)*	105.03%
The Subscriber	Beneficial owner	3,018,867,924 *(Note 1)*	105.03%
HK Yinger	Interest of controlled corporation	705,882,352 *(Note 2)*	24.56%
Fluent Robust	Beneficial owner	705,882,352 *(Note 2)*	24.56%
Mr. Yang	Interest of controlled corporation	987,697,627 *(Note 3)*	34.36%
Gold Bless	Beneficial owner	987,697,627 *(Note 3)*	34.36%
Smoothly Good	Beneficial owner	160,000,000 *(Note 4)*	5.57%
Mr. Li Wen Hua ("**Mr. Li**")	Interest of controlled corporation	352,941,176 *(Note 5)*	12.28%
Crown Hang International Investment Limited ("**Crown Hang**")	Beneficial owner	352,941,176 *(Note 5)*	12.28%
Mr. Huang Zhenxia ("**Mr. Huang**")	Interest of controlled corporation	234,375,000 *(Note 6)*	8.15%
Ample Reach	Beneficial owner	234,375,000 *(Note 6)*	8.15%
Ms. Ye Keyi	Beneficial owner	266,000,000	9.25%
Ms. Ye Yingying	Beneficial owner	204,400,000	7.11%

Notes:

1. These represent the 754,716,981 Subscription Consolidated Shares (equivalent to 3,018,867,924 Existing Shares prior to the Share Consolidation) to be allotted and issued to the Subscriber (which is wholly-owned by Ms. Zhou, the spouse of Mr. Yu) under the Subscription. The deemed interest of the Subscribers and Ms. Zhou have 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 705,882,352 underlying Existing Shares are attributable to the 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.

3. These 987,697,627 Existing 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.

4. According to disclosure of interest filings, theses 160,000,000 Existing Shares were beneficially owned by Smoothly Good, a controlled corporation wholly-owned by Mr. Liu. The deemed interests of Smoothly Good here duplicates with those of Mr. Liu as described in Note 2 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.

5. According to disclosure of interest filings, these 352,941,176 underlying Existing Shares are attributable to the 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 Existing Shares duplicate with each other.

6. According to disclosure of interest filings, these 234,375,000 Existing Shares deemed to be interested by Mr. Huang comprised (a) 78,125,000 Existing Shares held by Ample Reach, a controlled corporation wholly-owned by Mr. Huang; and (b) 156,250,000 underlying Existing Shares attributable to the 2nd Ample Reach CB and the 3rd Ample Reach CB owned by Ample Reach. Mr. Huang and Ample Reach's deemed interests in Existing Shares and underlying Existing Shares duplicate with each other.

7. The percentages are calculated based on the total number of 2,874,196,656 Existing 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.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up.

4. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquires, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, directly or indirectly, with the businesses of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

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 subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017 (being the date to which the latest published audited financial statements of the Company were made up).

7. EXPERT AND CONSENT

The following is the qualification of the expert who have given opinion or advice contained in this circular:

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 circular 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 2017 (being the date to which the latest published audited statements of the Company were made up).

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m. on any weekday other than public holidays, from the date of this circular up to and including the date of the EGM at the principal place of business of the Company at Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong:

(a) the memorandum and articles of association of the Company;

(b) the "Letter from the Board", the text of which is set out on pages 7 to 22 of this circular;

(c) the "Letter from the Independent Board Committee", the text of which is set out on page 23 of this circular;

(d) the "Letter from the Independent Financial Adviser", the text of which is set out on pages 24 to 47 of this circular;

(e) the written consent referred to in the paragraph headed "7. Expert and Consent" in this appendix;

(f) the Subscription Agreement; and

(g) this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Green International Holdings Limited (the "**Company**") will be held at Conference Room, Suite 2208-09, 22/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 18 March 2019 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

(a) the entering into of the subscription agreement (the "**Subscription Agreement**", a copy of which has been produced to this meeting marked "A" and signed by the chairman of this meeting for the purpose of identification) dated 25 January 2019 by Jumbo Faith International Limited (the "**Subscriber**") and the Company (as issuer) in relation to the subscription (the "**Subscription**") by the Subscriber of 754,716,981 ordinary shares (the "**Subscription Consolidated Shares**") of par value of HK$0.04 each (each a "**Consolidated Share**") in the share capital of the Company after the four-to-one share consolidation as disclosed in the Company's circular dated 13 February 2019 (the "**Share Consolidation**") to be allotted and issued by the Company at the subscription price of HK$0.212 per Subscription Consolidated Share, and all transactions contemplated thereunder and all other matters thereof and incidental thereto and in connection therewith, be and are hereby generally and unconditionally approved, confirmed and ratified in all respects;

(b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Listing Committee**") granting the listing of, and permission to deal in the Subscription Consolidated Shares, the directors (the "**Directors**") of the Company be and are hereby granted a specific mandate (the "**Specific Mandate**") to exercise the powers of the Company to allot and issue the Subscription Consolidated Shares pursuant to the terms and conditions of the Subscription Agreement, such Subscription Consolidated Shares ranking pari passu amongst themselves and with all other fully paid Subscription Consolidated

Shares in issue as at the date of allotment and issue thereof in all respects and such Specific Mandate being in additional to and not prejudicing or revoking any other general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company;

(c) the utilization of approximately HK$31 million out of the proceeds from the Subscription to repay and set off the outstanding principal and interest (the "**Loan Repayment**") under the loan facility in the principal amount of up to HK$30 million granted by Hong Kong Sheen Smile International Investment Limited to the Company as disclosed in the Company's announcement dated 13 August 2018 (the "**HK Yinger Loan Facility**"), constituting a "special deal" under Rule 25 of the Hong Kong Code on Takeovers and Mergers (the "**Special Deal**"), be and is hereby approved; and

(d) the Directors be and are hereby generally and unconditionally authorised to do all such acts or things and execute and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to the transactions contemplated by the Subscription Agreement, the allotment and issue of the Subscription Consolidated Shares, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company."

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

Hong Kong, 1 March 2019

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

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.

3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM.

4. Completion and return of the form of proxy will not preclude members from attending and voting at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions to be proposed at the EGM convened by this notice will be voted on by way of poll.

6. As at the date of this notice, 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.