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GREENS
GREENS HOLDINGS LTD
格菱控股有限公司*

(IN PROVISIONAL LIQUIDATION)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 01318)

CHANGE OF AUDITOR

This announcement is made by Greens Holdings Ltd (In Provisional Liquidation) (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company announces that it has received a letter dated 15 August 2017 from RSM Hong Kong (“**RSM**”) confirming RSM’s resignation as the auditor of the Company with immediate effect. As stated in the resignation letter, RSM tendered its resignation as the Company intends to engage Graham H.Y. Chan & Co as the new auditor of the Company.

RSM has confirmed that there are no circumstances connected with its resignation as auditors which should be brought to the attention of the audit committee or shareholders of the Company, other than the matters described in the “BASIS OF DISCLAIMER OF OPINION” in the auditor’s report to the shareholders of the Company dated 31 March 2015 and extracted as follows:

- “a. Included in the accruals and other payables were amounts of approximately RMB33,000,000 in the consolidated statement of financial position as at 31 December 2014. The Group has not entered any contract regarding to this advance payment from a third party. We were unable to obtain sufficient appropriate audit evidence relating to this payable and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether the payable included in consolidated statement of financial position as at 31 December 2014 were fairly stated. Any adjustments to the above figures might have a significant consequential effect on the results for the year ended 31 December 2014 and net liabilities at 31 December 2014.
- b. The financial statements show that the Group incurred a loss of RMB276,083,000 for the year ended 31 December 2014 and as at 31 December 2014 the Group had net current liabilities and net liabilities of RMB559,382,000 and RMB235,148,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. As set out in Note 2 in page 66,

the financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholders at a level sufficient to finance the working capital requirements of the Group. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the validity and adequacy of the financial support from the controlling shareholders as described above. There were no satisfactory audit procedures that we could adopt to determine whether the controlling shareholders have the financial ability to honour their financial support to the Group. The financial statements do not include any adjustments that would result from the failure to obtain the financial support.”

The Company proposes to appoint Graham H.Y. Chan & Co as the new auditor of the Company with effect from 18 August 2017 to fill the casual vacancy following the resignation of RSM, and to hold office until the conclusion of the next annual general meeting of the Company.

Suspension of Trading

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 June 2015. The trading in the shares of the Company will remain suspended until further notice.

For and on behalf of
GREENS HOLDINGS LTD
(In Provisional Liquidation)
Patrick Cowley, Chan Mei Lan and Alexander Lawson
Joint Provisional Liquidators

Hong Kong, 18 August 2017

As at the date of this announcement, the Board of the Company comprises three executive directors, namely Mr. XIE Zhiqing, Ms. CHEN Tianyi, and Mr. Ge Lingyue, and one independent non-executive director, namely Mr. Jack Michael BIDDISON.

** for identification purposes only*