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CHINA GREEN (HOLDINGS) LIMITED

中國綠色食品（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 904)

LITIGATION

The board (“**Board**”) of directors (“**Directors**”) of China Green (Holdings) Limited (“**Company**”) announces that on 14 February 2018, it received a writ of summons (“**Writ**”) issued in the Court of First Instance of the High Court of Hong Kong (“**Court**”) by Convoy Collateral Limited (the “**Plaintiff**”), a subsidiary of Convoy Global Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited) (stock code: 1019) against, among other defendants, the Company.

According to the Writ, the Plaintiff alleged that one of the defendants Cho Kwai Chee (also known as Cho Kwai Chee Roy) (“**Roy Cho**”) and certain *de facto* and *de jure* directors of the Plaintiff caused or procured the Plaintiff to enter into a number of transactions with the Company, including, an unsecured loan agreement for the principal loan amount of HK\$190,000,000 in November 2015 (the “**China Green Loan Agreement**”) and other agreements for the restructuring of outstanding principal loan amount due from the Company to the Plaintiff under the China Green Loan Agreement into convertible notes between May 2016 and February 2017 (the “**China Green Convertible Notes**”), and that in connection with the aforementioned transactions, Roy Cho and the certain *de facto* and *de jure* directors of the Plaintiff had been in breach of their respective fiduciary duties owed to the Plaintiff. The Plaintiff further alleged that Roy Cho and other defendants caused or procured the Plaintiff not to exercise the conversion right under the terms of the China Green Convertible Notes, which would otherwise result in a profit of HK\$298 million for the Plaintiff, thereby causing a loss to the Plaintiff.

According to the Writ, the Plaintiff has, inter alia, the following claims against the Company:

- (i) damages or equitable compensation for dishonest assistance, unlawful means conspiracy and/or in lieu of rescission;
- (ii) further or alternatively, a declaration that the China Green Convertible Notes and all underlying contractual documents thereof were rescinded and set aside or an order for the same.

The Company is currently seeking legal advice on the Writ to assess the merits of the claims and their implications on the Company, as well as legal advice on any other alternative course of actions. Further announcement will be made to update on the progress of the matter as and when appropriate.

By Order of the Board
China Green (Holdings) Limited
Sun Shao Feng
Chairman

Hong Kong, 14 February 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer) and Mr. Wang Jinhua; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Ms. Yu Xiao Min.