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)

MAJOR AND CONNECTED TRANSACTION REGARDING THE NON-EXERCISE OF SELL-BACK RIGHT BY THE COMPANY OVER THE ENTIRE ISSUED SHARE CAPITAL OF RAINBOW STAR GLOBAL LIMITED

Financial Adviser to the Company

ASTRUM

Pursuant to the Acquisition Agreement, if the Marsa NPAT is less than RMB20,000,000 for all three years ended 31 December 2015, 2016 and 2017, the Company shall have the Sell-Back Right to sell, and require the Vendors to buy back, Rainbow Star at the Sell-Back Consideration which is equivalent to the consideration already paid by the Company in the sum of HK$90,559,525. However, having considered the reasons as stated in paragraph headed "Reasons for and benefits of non-exercise of Sell-Back Right" below, the Company proposes to put forward to the Independent Shareholders at the EGM a proposal not to exercise the Sell-Back Right.

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the non-exercise of the Sell-Back Right are more than 25%, the non-exercise of the Sell-Back Right constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Ms. Au is a connected person of the Company as she was an executive Director within 12 months from the date of this announcement. Accordingly, the non-exercise of the Sell-Back Right constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the non-exercise of the Sell-Back Right. A circular containing, among other matters, (i) further information on the non-exercise of the Sell-Back Right; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the non-exercise of the Sell-Back Right; (iii) a letter from the Independent Financial Adviser containing their advice to the Independent Board Committee and the Independent Shareholders regarding the non-exercise of the Sell-Back Right; and (iv) the notice of the EGM, is expected to be dispatched to the Shareholders on or before 6 November 2018.

Reference is made to (i) the announcement of the Company dated 21 November 2014 and the circular of the Company (the ''**Acquisition Circular**'') dated 24 December 2014 in relation to the Acquisition; and (ii) the announcement of the Company (the "**2018 Announcement**") dated 4 May 2018 in relation to the non-fulfillment of the Profit Guarantee.

BACKGROUND

On 21 November 2014, the Company entered into the Acquisition Agreement with the Vendors pursuant to which the Company acquired from the Vendors the entire issued share capital of Rainbow Star for the maximum aggregate consideration of HK$217,000,000 (subject to adjustment mechanisms regarding the Profit Guarantee as set out in the Acquisition Circular and the 2018 Announcement). Rainbow Star is an investment holding company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is owned by the Group. Rainbow Star owns the entire issued share capital of Health Gold Holdings Limited ("**Health Gold**"), an investment holding company incorporated in Hong Kong with limited liability, which in turn owns 70% equity interest in Shenzhen Marsa. Shenzhen Marsa holds (i) the entire equity interest in 深圳市瑪莎康盈生物科技有限公司 (Shenzhen Marsa Kangying Biotechnology Company Limited*, "**Marsa Kangying**"), a company established in the PRC with limited liability, and (ii) the entire equity interest in 深圳市瑪莎麗之莎諮詢管理有限公司 (Shenzhen Marsa Beauty Consultancy Management Company Limited*, "**Marsa Beauty**"), a company established in the PRC with limited liability. Shenzhen Marsa and its subsidiaries (collectively, the "**Shenzhen Marsa Group**") are principally engaged in the provision of beauty and wellness related services. Since the completion of the Acquisition in May 2015, Rainbow Star and its subsidiaries, namely, Health Gold, Shenzhen Marsa, Marsa Kangying and Marsa Beauty, have all become subsidiaries of the Group.

SELL-BACK RIGHT

Pursuant to the Acquisition Agreement, if the audited consolidated net profit after tax of Shenzhen Marsa ("**Marsa NPAT**") is less than RMB20,000,000 for all three years ended 31 December 2015, 2016 and 2017, the Company shall have the right to sell, and require the Vendors to buy back, Rainbow Star at a consideration (the "**Sell-Back Consideration**") which is equivalent to the consideration already paid by the Company (the "**Sell-Back Right**").

As disclosed in the 2018 Announcement, Marsa NPAT fell short of the Profit Guarantee level of RMB20 million for all the three years ended 31 December 2015, 2016 and 2017. The consideration actually paid by the Company for the Acquisition was, therefore, adjusted downward from HK$217,000,000 to HK$90,559,525 (being the cash consideration paid in the amount of HK$54,250,000 plus the principal amount of HK$36,309,525 under the Marsa CB which remained after the partial cancellation and was subsequently converted into 72,619,050 Shares).

NON-EXERCISE OF THE SELL-BACK RIGHT

Having considered that the reasons as stated in paragraph headed "Reasons for and benefits of non-exercise of Sell-Back Right" below, the Company proposes to put forward to the Independent Shareholders at the EGM a proposal not to exercise the Sell-Back Right.

FINANCIAL INFORMATION OF THE TARGET GROUP AND THE SHENZHEN MARSA GROUP

Rainbow Star and Health Gold are merely investment holding companies having no business operations and no expenses save for insignificant company secretarial and audit fees. Save for their investment in the Shenzhen Marsa Group, Rainbow Star and Health Gold have no other significant assets and liabilities.

The audited financial information of the Shenzhen Marsa Group for the three years ended 31 December 2017 and the unaudited financial information of the Shenzhen Marsa Group for the six months ended 30 June 2017 and 30 June 2018 is set out as below:

	For the year ended			For the six months ended	
	31 December 2015	**31 December 2016**	**31 December 2017**	**30 June 2017**	**30 June 2018**
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	17,432	28,472	33,035	14,683	17,547
Net profit before tax	8,725	6,413	3,602	438	2,857
Net profit after tax	6,618	4,525	2,244	181	3,113

The unaudited total assets and net assets of the Shenzhen Marsa Group as at 30 June 2018 were approximately RMB37.4 million (equivalent to approximately HK$42.9 million) and approximately RMB19.6 million (equivalent to approximately HK$22.5 million), respectively.

VALUATION

The Group engaged the Independent Valuer to assess the market value of the entire issued share capital of Rainbow Star as at 30 June 2018. According to the Valuation Report, the Independent Valuer adopted the income-based approach using discounted cash flow method involving projections of profits, earnings and cash flows, which are regarded as profit forecasts under Rule 14.61 of the Listing Rules (the "**Profit Forecast**"). Pursuant to Rule 14.62(1) of the Listing Rules, the principal assumptions, including commercial assumptions, upon which the Profit Forecast is based, are detailed as follows:

1. The Target Group is assumed to have no contingent assets and liabilities or any other off-balance sheet items which should be recognized or valued attributable to the Target Group;

2. For the Shenzhen Marsa Group to continue as a going concern, the Shenzhen Marsa Group will successfully carry out all necessary activities for the development of its business;

3. The contractual parties of the relevant cooperation agreements entered into with the Shenzhen Marsa Group will act in accordance with the terms and conditions of the agreements and understandings between the parties and will be renewable upon expiry;

4. The availability of finance will not be a constraint on the forecast growth of the Shenzhen Marsa Group's operations;

5. The audited or unaudited financial information of the Target Group as supplied to the Independent Valuer have been prepared in a manner which truly and accurately reflect the financial position of the Target Group as at the respective balance sheet dates;

6. Market trends and conditions where the Shenzhen Marsa Group operates will not deviate significantly from the economic forecasts in general;

7. Key management, competent personnel and technical staff will all be retained to support the ongoing operation of the Shenzhen Marsa Group;

8. There will be no material changes in the business strategy of the Shenzhen Marsa Group and its expected operating structure;

9. Interest rates and exchange rates in the localities for the operation of the Shenzhen Marsa Group will not differ materially from those presently prevailing;

10. All relevant consents, business certificates, licenses or other legislative or administrative approvals from any local, provincial or national government, or private entity or organization required to operate in the localities where the Shenzhen Marsa Group operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

11. There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Shenzhen Marsa Group operates or intends to operate, which would adversely affect the revenues and profits attributable to the Shenzhen Marsa Group.

HLB, acting as the Company's reporting accountants, has reviewed the calculations of the discounted future estimated cash flows on which the Valuation Report was based. HLB has reported to the Directors in respect of the arithmetical accuracy of the calculations of and whether the discounted future estimated cash flows in connection with the valuation in relation to the entire issued capital of Target Company as set out in the Valuation Report so far as the calculations are concerned, have been properly compiled with the assumptions determined by the Directors. As the Valuation Report is based on discounted future estimated cash flows method, no accounting policies of the Company were adopted. The management of the Company is solely responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined. Accordingly, the work performed by HLB did not include reviewing, considering or conducting any work on the reasonableness and the validity of the assumptions determined by the Directors.

Astrum, the financial adviser to the Company, has reviewed the Profit Forecast and has discussed with the management of the Company and the Independent Valuer regarding the bases and assumptions upon which the Profit Forecast has been made to arrive at the Valuation. Astrum has confirmed that it is satisfied that the Profit Forecast has been made by the Directors after due and careful enquiry.

Pursuant to Rule 14.60A of the Listing Rules, a report from HLB dated 16 October 2018 in compliance with Rule 14.62(2) of the Listing Rules and a letter from Astrum dated 16 October 2018 in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

Name	**Qualification**
Astrum	A licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
Graval Consulting Limited	Independent professional valuer

As at the date of this announcement, each of the above-mentioned experts does not have any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above-mentioned experts has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its report and all reference to its name in the form and context in which it is included.

REASONS FOR AND BENEFITS OF NON-EXERCISE OF THE SELL-BACK RIGHT

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.

In determining whether or not to exercise the Sell-back Right, the Board has assessed the financial performance of the Shenzhen Marsa Group. The revenue of the Shenzhen Marsa Group increased from approximately RMB17.4 million for the year ended 31 December 2015 to approximately RMB28.5 million for the year ended 31 December 2016 and further to approximately RMB33.0 million for the year ended 31 December 2017, representing a compound annual growth rate ("**CAGR**") of approximately 37.7%. The increase in revenue was mainly attributable to increase in customers, business development and launch of promotional events. Notwithstanding the growth in revenue, the Marsa NPAT decreased from approximately RMB6.6 million for the year ended 31 December 2015 to approximately RMB4.5 million for the year ended 31 December 2016 and further to approximately RMB2.2 million for the year ended 31 December 2017. The decrease in Marsa NPAT was mainly attributable to the increase in selling expenses and administrative expenses.

As at 31 December 2017, the Shenzhen Marsa Group operated 10 beauty and wellness centers in Shenzhen, China. During the first six months of 2018, the new management of the Company underwent a thorough review of the business performance of the Shenzhen Marsa Group. Following discussions between the new management of the Company and the management of the Shenzhen Marsa Group, the Shenzhen Marsa Group has taken the following measures in the first half of 2018 with the view to improving its financial performance and profitability, namely: (i) closing down two beauty and wellness centers which did not perform well; (ii) opening a new beauty and wellness center in Shenzhen under the cooperation with a large enterprise in the PRC; (iii) signing a cooperation agreement with another large enterprise in the PRC to explore opportunities of opening new beauty and wellness centers in Shenzhen; and (iv) launching marketing campaigns and promotional events and adopting cost-control measures. With these measures, the Company already saw an improvement in the financial results of the Shenzhen Marsa Group during the first half of 2018 (with its revenue and net profits after tax growing from RMB14.7 million and RMB0.2 million for the six months ended 30 June 2017 to RMB17.5 million and RMB3.1 million for the six months ended 30 June 2018) and expects the financial performance of the Shenzhen Marsa Group to show further improvement in the second half of 2018. Should the Sell-Back Right be exercised, the Target Group will cease to be subsidiaries of the Company, and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

According to the National Bureau of Statistics, the total urban population in the PRC increased from approximately 731.1 million in 2013 to approximately 813.5 million in 2017, representing approximately 58.5% of the total population in the PRC as at 31 December 2017. During the period between 2013 and 2017, the average disposable income per capita of the PRC increased from approximately RMB18,311 to approximately RMB25,974, representing a CAGR of approximately 9.1%, while the average consumption expenditure per capita of the PRC increased from approximately RMB13,220 to approximately RMB18,322, representing a CAGR of approximately 8.5%. As a result of rapid economic growth and the gradual improvement in living standards, residents become more health conscious and are willing to increase their leisure spending, and accordingly, the beauty and wellness industry in the PRC has been expanding rapidly in recent years.

According to the "China Beauty and Hairdressing Development Report (中國美容美髮行業發展報告)" prepared by the Ministry of Commerce of the PRC, the total revenue of beauty and hairdressing business in the PRC increased from approximately RMB264.6 billion in 2013 to approximately RMB312.9 billion in 2016, representing a CAGR of approximately 5.8%. With the support of various governmental policies, such as "tax and fee reduction (減稅降費)", "reform of the supply side (供給側改革)" and promotion of "public entrepreneurship, innovation by the public (大眾創業、萬眾創新)", the quality and efficiency of the beauty and hairdressing business have been improved. According to a research conducted by Qianzhan Industry Institute (前瞻產業研究院), the total revenue of beauty and hairdressing business in the PRC is expected to continue to grow in the next few years, and will reach RMB500 billion in 2020. Therefore, the Board is optimistic about the prospects of the beauty and wellness service industry in the PRC and thus the future prospect of the Target Group.

Furthermore, based on the Valuation Report, the market value of the entire issued share capital of Rainbow Star (essentially comprising the Company's 70% equity interest in the Shenzhen Marsa Group) as at 30 June 2018 was approximately HK$100,007,000, which is higher than the Sell-Back Consideration of HK$90,559,525.

In view of the above, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice of the Independent Financial Adviser) consider that the non-exercise of the Sell-Back Right is fair and reasonable and in the interests of the Company and its Shareholders as a whole. After making enquiries with the Directors at the Board meeting, each of the existing Directors is not aware of any direct or indirect interest in the arrangement relating to the non-exercise of the Sell-Back Right and accordingly, no Director was required to abstain at Board level in respect of the decision of not exercising the Sell-Back Right.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the non-exercise of the Sell-Back Right are more than 25%, the non-exercise of the Sell-Back Right constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Ms. Au is a connected person of the Company as she was an executive Director within 12 months from the date of this announcement. Accordingly, the non-exercise of the Sell-Back Right constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the non-exercise of the Sell-Back Right. Pursuant to the Listing Rules, any Shareholder who has a material interest in the non-exercise of the Sell-Back Right (including the Vendors and their respective associates) would be required to abstain from voting for the resolution to approve the non-exercise of the Sell-Back Right at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. David Tsoi, Mr. Wu Hong and Mr. Wang Chunlin, was established to advise the Independent Shareholders regarding the non-exercise of the Sell-Back Right. Red Sun has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the non-exercise of the Sell-Back Right.

A circular containing, among other matters, (i) further information on the non-exercise of the Sell-Back Right; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the non-exercise of the Sell-Back Right; (iii) a letter from the Independent Financial Adviser containing their advice to the Independent Board Committee and the Independent Shareholders regarding the non-exercise of the Sell-Back Right; and (iv) the notice of the EGM, is expected to be dispatched to the Shareholders on or before 6 November 2018.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the acquisition of the entire issued share capital of Rainbow Star by the Company from the Vendors pursuant to the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 21 November 2014 entered into between the Company and the Vendors in relation to the Acquisition (as supplemented by the supplemental agreement dated 16 December 2014)
"associates"	having the meaning ascribed thereto under the Listing Rules
"Astrum"	Astrum Capital Management Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the financial adviser to the Company
"Board"	the board of Directors
"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 (stock code: 2700)
"connected persons"	having the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened and held for the purpose of considering and approving, if thought fit, the non-exercise of the Sell-Back Right
"Group"	collectively, the Company and its subsidiaries

"HLB"	HLB Hodgson Impey Cheng Limited, Certified Public Accountants and the reporting accountants of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. David Tsoi, Mr. Wu Hong and Mr. Wang Chunlin which was established to make a recommendation regarding the non-exercise of the Sell-Back Right
"Independent Financial Adviser" or "Red Sun"	Red Sun Capital Limited, a licensed corporation licensed 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 to the Independent Board Committee and the Independent Shareholders in respect of the non-exercise of the Sell-Back Right
"Independent Shareholders"	Shareholders other than (a) the Vendors and their respective associates, and (b) any other Shareholders who has a material interest in the non-exercise of the Sell-Back Right and are required by the Listing Rules to abstain from voting on the resolution(s) regarding the non-exercise of the Sell-Back Right at the EGM
"Independent Valuer"	Graval Consulting Limited, an independent professional valuer
"Marsa CB"	the convertible bonds issued by the Company to the Vendors or their respective nominees for the partial settlement of the consideration of the Acquisition pursuant to the terms of the Acquisition Agreement
"Mr. Chung"	Mr. Chung Sum Sang, one of vendors of the Acquisition
"Ms. Au"	Ms. Eva Au, one of vendors of the Acquisition and formerly an executive Director who retired on 7 June 2018
"PRC"	the People's Republic of China

"Profit Guarantee"	the guarantee on the audited consolidated net profit after tax of Shenzhen Marsa achieving the minimum level of RMB20,000,000 for each of the three years ended 31 December 2015, 2016 and 2017
"Rainbow Star"	Rainbow Star Global Limited, a company incorporated in the British Virgin Islands which has become a wholly-owned subsidiary of the Company since the completion of the Acquisition
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Marsa"	深圳市瑪莎嘉兒連鎖實業有限公司 (Shenzhen Marsa Guer Chain Enterprise Limited*), a company established in the PRC with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Group"	Rainbow Star and its subsidiaries
"Valuation"	the valuation of the entire issued share capital of Rainbow Star as at 30 June 2018 conducted by the Independent Valuer
"Valuation Report"	the valuation report dated 16 October 2018 prepared by the Independent Valuer in relation to the Valuation
"Vendors"	collectively, Mr. Chung and Ms. Au
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

For the purpose of this announcement, unless otherwise stated, conversion of RMB into HK$ is based on the approximate exchange rate of HK$1.000 against RMB0.871. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

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

Hong Kong, 16 October 2018

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

* *For identification purpose only*

16 October 2018

INDEPENDENT ASSURANCE REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUTIAON OF THE ENTIRE ISSUED SHARE CAPITAL OF RAINBOW STAR GLOBAL LIMITED AND ITS SUBSIDIARIES

TO THE DIRECTORS OF GREEN INTERNATIONAL HOLDINGS LIMITED

We have reviewed the calculations of the discounted future estimated cash flows on which the valuation report dated 16 October 2018 (the "**Valuation Report**") prepared by Graval Consulting Limited (the "**Independent Valuer**") in relation to the valuation of the entire issued share capital of Rainbow Star Global Limited ("**Rainbow Star**" and together with its subsidiaries, the "**Target Group**") as at 30 June 2018 (the "**Valuation**"). The Valuation based on the discounted future estimated cash flows is regarded as profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in the announcement of Green International Holdings Limited (the "**Company**") dated 16 October 2018 (the "**Announcement**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors of the Company and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" issued by the HKICPA. This standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flow, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work was limited primarily to making inquires of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Group.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumption about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Yours faithfully,
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Hon Koon Fai, Alex
Practising Certificate Number: P05029
Hong Kong

ASTRUM

Green International Holdings Limited
Suite 2208-09, 22/F
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

Attention: The Board of Directors

16 October 2018

Dear Sirs,

We refer to the valuation report dated 16 October 2018 (the ''**Valuation Report**'') prepared by Graval Consulting Limited (the "**Independent Valuer**") in relation to the valuation of the entire issued share capital of Rainbow Star Global Limited ("**Rainbow Star**", and together with its subsidiaries, the "**Target Group**") as at 30 June 2018 (the "**Valuation**").

We noted that the Valuation has been developed based on the discounted cash flow approach, which is regarded as profit forecast (the "**Profit Forecast"**) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules"**) and this letter is issued in compliance with the requirement under Rule 14.62(3) of the Listing Rules. The principal assumptions upon which the Valuation is based are included in the announcement of Green International Holdings Limited (the "**Company**") dated 16 October 2018 (the "**Announcement**"), of which this letter forms part.

We have reviewed the Profit Forecast, for which you as the directors of the Company (the "**Directors**") are solely responsible for, and have discussed with the management of the Company and the Independent Valuer regarding the bases and assumptions upon which the Profit Forecast has been made to arrive at the Valuation. We have also reviewed the letter issued by HLB Hodgson Impey Cheng Limited, the reporting accountants of the Company, dated 16 October 2018 as set out in Appendix I to the

Announcement containing its opinion on whether the discounted future estimated cash flow, so far as the arithmetical accuracy of the calculations are concerned, have been properly compiled in accordance with the bases and assumptions made by the Directors.

On the basis that (i) the assumptions and calculations adopted by the Independent Valuer in respect of the Profit Forecast have been properly reviewed by the Directors; and (ii) the Directors are satisfied that no further matters should be brought to our attention, we are of the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry. However, as the relevant bases and assumptions are related to future events which may or may not occur, the actual financial performance of the businesses of the Target Group may or may not achieve as expected. We express no opinion as to how closely the actual cash flow will eventually correspond with the Profit Forecast.

Our work in connection with the Profit Forecast has been undertaken solely for the strict compliance under Rule 14.62(3) of the Listing Rules and for no other purpose.

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