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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)

PUBLICATION OF UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

UPDATE ON THE WHITEWASH TRANSACTION

This announcement is made by Greens Holdings Ltd (In Provisional Liquidation) (the “**Company**”) pursuant to an obligation to make regular announcements updating the market about any material developments relating to the whitewash transaction under General Principle 6 of the Takeovers Code.

Reference is made to the announcements of the Company dated 6 August 2015, 22 September 2015, 13 October 2015, 7 December 2015, 7 January 2016, 15 November 2017, 8 December 2017, 13 December 2017, 8 January 2018, 8 February 2018, 13 February 2018, 14 February 2018, 20 March 2018, 13 April 2018, 14 May 2018, 14 June 2018, 13 July 2018, 1 August 2018, 28 August 2018, 27 September 2018, 18 October 2018, 1 November 2018, 30 November 2018, 28 December 2018, 28 January 2019, 28 February 2019, 29 March 2019, 30 April 2019, 30 May 2019, 28 June 2019, 25 July 2019, 30 August 2019, 27 September 2019, 30 October 2019, 29 November 2019, 27 December 2019, 30 January 2020 and 27 February 2020 (the “**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

PUBLICATION OF UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

As at the date of this announcement, the Company is yet to release its annual reports for the years ended 31 December 2015, 2016, 2017 and 2018 and its interim reports for the six months ended 30 June 2015, 2016, 2017, 2018 and 2019 as required under the Listing Rules. According to Rule 13.49(1) of the Listing Rules, the Company must publish preliminary announcement of its results for the full financial year ended 31 December 2019 not later than 31 March 2020. The Company is currently still preparing the revised Circular reflecting comments raised by the regulators and in negotiation with its auditor to prepare for the audit of financial information of the Group for the year ended 31 December 2019 (the “**2019 Annual Results**”) and to finalise the audit of the financial information of the Group for the years ended 31 December 2015, 2016, 2017 and 2018 (the “**2015-2018 Annual Results**”, together

with the 2019 Annual Results, the “**2015-2019 Annual Results**”) and the unaudited financial information of the Group for the six months ended 30 June 2015, 2016, 2017, 2018 and 2019 (the “**2015-2019 Interim Results**”).

Due to the requirements of Rule 13.49(1) of the Listing Rules as mentioned above, and in order to comply with Rule 13.49(3)(i)(c) of the Listing Rules to announce (so far as the information is available) results for the financial year based on financial results which have yet to be agreed with the auditor, the JPLs herewith provide the Shareholders and the public with the preliminary unaudited financial information of the Group for the year ended 31 December 2019, together with the unaudited comparative figures for the year ended 31 December 2018 (the “**Unaudited Financial Information**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2018 and 2019

	For the years ended 31 December	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Revenue	-	-
Gain on dissolution/striking off of subsidiaries	93,467	-
Other income and gains	3,636	8,522
Administrative expenses	(2,908)	(10,528)
Finance costs	(19,181)	(26,802)
Profit/(loss) before tax	75,014	(28,808)
Income tax expenses	-	-
Profit/(loss) for the year, attributable to owners of the Company	<u>75,014</u>	<u>(28,808)</u>
Basic and diluted earnings/(loss) per share attributable to owners of the Company:	RMB0.06	(RMB0.02)
Profit/(loss) for the period	<u>75,014</u>	<u>(28,808)</u>
Other comprehensive loss, net of tax:		
Exchange differences arising on translation from functional currency to presentation currency	(9,487)	(32,068)
Other comprehensive loss, net of tax	(9,487)	(32,068)
Total comprehensive profit/(loss) for the year, attributable to owners of the Company	<u>65,527</u>	<u>(60,876)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2019 and 31 December 2018*

	31 December 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Unaudited)
Current assets		
Bank balances and cash	<u>4,111</u>	<u>4,130</u>
Current liabilities		
Other payables, accruals and deposits received	55,426	55,370
Due to a former director	51,427	48,705
Due to a shareholder	1,920	1,894
Due to deconsolidated subsidiaries	22,419	111,922
Bonds	148,016	145,450
Provision of corporate guarantee for liabilities of deconsolidated subsidiaries	284,513	265,926
Current tax liabilities	<u>5,696</u>	<u>5,696</u>
	<u>569,417</u>	<u>634,963</u>
Net current liabilities	<u>(565,306)</u>	<u>(630,833)</u>
Total assets less current liabilities	<u>(565,306)</u>	<u>(630,833)</u>
Net liabilities	<u>(565,306)</u>	<u>(630,833)</u>
Capital and reserves		
Share capital	85,004	85,004
Reserves	<u>(650,310)</u>	<u>(715,837)</u>
Total deficits	<u>(565,306)</u>	<u>(630,833)</u>

Pursuant to Rule 10 of the Takeovers Code, the Unaudited Financial Information constitutes a profit forecast which should be reported on by the financial adviser and the auditors/reporting accountants of the Company and their reports must be included in the next document to be sent to the Shareholders under Rule 10.4 of the Takeovers Code. However, since the Unaudited Financial Information contains the preliminary unaudited financial information of the Group for the year ended 31 December 2019 which must be published by the Company not later than 31 March 2020 pursuant to Rule 13.49(3)(i) of the Listing Rules and the Company is currently still in the negotiation with its auditor to prepare for the audit for the 2019 Annual Results and finalising the audit for the 2015-2018 Annual Results and preparing the revised Circular, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

Subject to the Stock Exchange's in-principle approval for trading resumption, the JPLs plan to publish the outstanding annual reports (which will include the 2015-2019 Annual Results) and interim reports (which will include the 2015-2019 Interim Results) as soon as practicable and in any event no later than convening of the extraordinary general meeting to approve the transactions contemplated under the Revised Proposed Restructuring. Publication of the 2015-2019 Annual Results and the 2015-2019 Interim Results on or before the despatch of the Circular would fall under Rule 10.9 of the Takeovers

Code and the reporting on requirements of the Unaudited Financial Information will no longer be required.

Shareholders and potential investors of the Company are reminded that the Unaudited Financial Information is subject to changes resulting from, among others, further review by the Company and its auditors and any adjustments that might be proposed by the auditors. The Company cannot guarantee the Unaudited Financial Information reflects the financial performance and condition of the Company.

The Company would also like to draw the attention of the Shareholders and potential investors of the Company that the Unaudited Financial Information does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the Unaudited Financial Information in assessing the merits and demerits of the transactions contemplated under the Revised Proposed Restructuring and when dealing in the Shares.

UPDATES ON THE REVISED RESUMPTION PROPOSAL

As disclosed in the announcement of the Company dated 27 February 2020, the MEE has further granted import quotas of 1,160 tons of copper scrap to the Target Company on top of the 800 tons of copper scrap and 160 tons of aluminium scrap granted previously, and the Standard of Recycling Materials for Copper (GB/T 38471-2019) and the Standard of Recycling Materials for Brass (GB/T 38470-2019) jointly promulgated by the State Administration for Market Regulation of PRC and the Standardization Administration of PRC will become effective on 1 July 2020. Part of the high quality scrap copper that meets the above standards can be freely imported as a general commodity. The Target Company is currently evaluating the positive impact derived from the above policy to its business development, together with other options, including the feasibility of procuring additional quantities of domestic scrap metals, as well as the overall impact of the limited import quotas and the additional time and efforts that may be incurred in sourcing scrap metals domestically on the business and financial performance of the Target Company.

It is currently expected that after the Sponsor and the other professional parties have fully addressed (i) the impact of the New PRC Regulations on the business and financial performance of the Target Group and the New Listing Application and; (ii) certain proposed amendments to the Revised Proposed Restructuring to comply with the regulatory requirements with respect to, amongst others, the minimum market capitalisation requirement which took effect in February 2018, the Company will reactivate the New Listing Application, which has lapsed on 24 February 2019, by refiling a renewed New Listing Application pursuant to Rule 9.03(1) of the Listing Rules. The Company intends to despatch the Circular to the Shareholders and convene the extraordinary general meeting to approve the transactions contemplated under the Revised Restructuring Agreement as soon as practicable thereafter.

As disclosed in the announcement dated 27 September 2018, the Long Stop Date of the Revised Restructuring Agreement, the Acquisition Agreement and the Subscription Agreement was 31 December 2019 or such later date as the parties to the relevant agreements may agree. As at the date of this announcement, the parties to the Revised Restructuring Agreement, the Acquisition Agreement

and the Subscription Agreement are still negotiating the extension of the Long Stop Date which has been prolonged due to the recent Novel Coronavirus outbreak in PRC.

The Company will make appropriate announcements as and when necessary regarding, amongst others, updates on the implementation of the New PRC Regulations, the refiling of the renewed New Listing Application and the despatch of the Circular.

Subject to fulfillment or waiver (as applicable) of the conditions precedent of the Revised Restructuring Agreement and the Stock Exchange's approval of the resumption of trading of the Shares on the Stock Exchange, it is the Company's tentative plan to complete the aforesaid transactions and resume trading of its Shares on the Stock Exchange in 2020. As said above, the aforesaid tentative timing is subject to a number of conditions and may or may not materialise.

SUSPENSION OF TRADING

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

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the trading resumption in the Shares. In addition, the transactions contemplated under the Revised Restructuring Agreement and trading resumption in the Shares are subject to the fulfillment of a number of conditions precedent and therefore may or may not materialise and proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

For and on behalf of
GREENS HOLDINGS LTD
(In Provisional Liquidation)

Patrick Cowley, Lui Yee Man and Jeffrey Stower
Joint Provisional Liquidators

Hong Kong, 30 March 2020

As at the date of this announcement, the board of directors 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.

The Joint Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** for identification purposes only*