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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)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.24A OF THE LISTING RULES

The Company wishes to provide update on the development of its resumption plan and the status on fulfilling the resumption conditions as set out in the Stock Exchange's letter dated 2 May 2017.

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.

This announcement is made by Greens Holdings Ltd (In Provisional Liquidation) (the “**Company**”) pursuant to Rule 13.24A of the Listing Rules.

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 and 13 July 2018 (the “**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

INFORMATION ABOUT THE GROUP

The Group was principally engaged in production and sale of heat transfer products, wind turbine towers, mining and trading of alluvial gold and the services of waste heat power generation prior to trading suspension on 2 June 2015. The Group has ceased its operations following the trading suspension.

As set out in the announcement of the Company dated 13 October 2015, on 8 October 2015, an order of the Grand Court of the Cayman Islands was granted for the appointment of Mr. Patrick Cowley, Ms. Chan Mei Lan and Mr. Alexander Lawson of KPMG to act jointly and severally as the joint provisional liquidators to the Company. As set out in the announcement of the Company dated 13 February 2018, as ordered by the Grand Court of the Cayman Islands, Lui Yee Man and Jeffrey Stower were appointed to act as the Joint Provisional Liquidators of the Company, replacing Chan Mei Lan and Alexander Lawson, with effect from 12 February 2018.

THIRD DELISTING STAGE

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. The Company was placed into the third delisting stage on 11 May 2017. According to the letter from the Stock Exchange dated 2 May 2017, the Company was required to submit a viable resumption proposal to demonstrate sufficient operations or assets as required under Rule 13.24 of the Listing Rules to the Stock Exchange. The Company must also:

- (a) conduct an appropriate investigation on the problematic transactions and allegations as disclosed in the Company's announcement of 6 August 2015 and disclose the findings of the investigation and take remedial actions, if any;
- (b) demonstrate no reasonable regulatory concern about management integrity;
- (c) publish all outstanding financial results and address any audit qualifications; and
- (d) demonstrate adequate and effective financial reporting procedures and internal control systems to meet the obligations under the Listing Rules.

REVISED RESUMPTION PROPOSAL

As set out in the announcement of the Company dated 15 November 2017, on 20 October 2017, the Company entered into the Revised Restructuring Agreement with the Predecessor Investor and the New Investor to amend and restate the Restructuring Agreement involving among others the Subscription, the Proposed Acquisition and the Open Offer. On 23 October 2017, the Company submitted the Revised Resumption Proposal reflecting the terms of the Revised Restructuring Agreement to the Stock Exchange.

On 30 November 2017, the Company, the Vendors and the Guarantors entered into the Acquisition Agreement in respect of the Proposed Acquisition. On 13 February 2018, the Company and the New Investor entered into the Subscription Agreement in respect of the Subscription. The parties entered into respective amendment letters dated 18, 20 and 23 July 2018 to the Revised Restructuring Agreement, the Acquisition Agreement and the Subscription Agreement under which the long stop date of the respective agreements was extended to 31 December 2019.

The Proposed Acquisition is part of the Revised Resumption Proposal and constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules, and therefore the Company will

be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules. On 13 February 2018, the Company submitted to the Stock Exchange the New Listing Application.

RESUMPTION CONDITIONS

Sufficient operations or assets as required under Rule 13.24

As set out in the Revised Resumption Proposal, after completion of the transactions under the Revised Restructuring Agreement (“**Completion**”), the Group will have acquired the Target Company under the Acquisition Agreement which shall satisfy the new listing requirements under Chapter 8 of the Listing Rules and in the Company’s view will have sufficient level of operations and assets to comply with Rule 13.24.

Investigation on the problematic transactions and allegations

As set out in the Revised Resumption Proposal, the joint provisional liquidators of the Company (the “**JPLs**”) consider that they have conducted as appropriate an investigation on the transactions and allegations involving 克州格菱礦業有限公司(Kezhou Greens Mining Company Limited*) (“**Kezhou Greens**”), a 51% indirectly owned subsidiary of the Company, as disclosed in the announcement of the Company dated 6 August 2015 as they can be reasonably expected to in the circumstances concerning Kezhou Greens. Given that Kezhou Greens and the related management will cease to be a part of the Group following Completion and will not have any continuing financial impact (including any contingent liability) and/or management influence on the Company, the Company considers that it has properly dealt with the matters involving Kezhou Greens and no further investigation in this connection is necessary for the purpose of trading resumption in the Shares on the Stock Exchange.

Management integrity

As stated in the Revised Resumption Proposal, all existing Directors will be removed before trading resumption in the Shares, and appropriate candidates nominated by the New Investor, who meet the requirements under Rules 3.08 and 3.09 of the Listing Rules, will be appointed as new Directors. The Company considers that such measure would properly address the Stock Exchange’s concerns as to management integrity.

Outstanding financial results and audit qualifications

The Company has yet to release its annual reports for the years ended 31 December 2015, 2016 and 2017 and its interim reports for the six months ended 30 June 2015, 2016, 2017 and 2018 as required under the Listing Rules. The JPLs, subject to the Stock Exchange’s in-principle approval for trading resumption, plan to publish the aforesaid annual reports and interim reports 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.

As set out in the Revised Resumption Proposal, with regard to the audit qualifications as set out in the Company’s annual report for the year ended 31 December 2014 and the draft audited consolidated financial statements for the year ended 31 December 2015 and 2016, the Company understands from

the auditors of the Company that such audit qualifications will be removed in the subsequent financial statements following Completion save for the audit qualification concerning scope limitation due to incomplete books and records, non-compliance with IFRSs and omission of disclosures. The JPLs understand from the auditors that they will issue a qualified opinion on the opening balances in the Group's financial statements subsequent to Completion. The JPLs consider that even if this audit qualification remains upon Completion, such audit qualification does not and will not have any significant impact on the Group's current and future operations as (a) the loss of the Group's books and records is solely due to the failure of certain existing Directors (who are expected to be removed upon Completion); (b) all claims and liabilities of the Company will be discharged; (c) the Group has already ceased operation; and (d) the book value of the assets of the Group has been written off. The JPLs consider that the matters underlying such audit qualification will unlikely to recur upon Completion.

Financial reporting procedures and internal control systems

As stated in the Revised Resumption Proposal, upon Completion, the Group will be engaging in metal and plastic recycling, and the management of the Company will only consist of candidates to be nominated by the New Investor. All of the Group's equity interests in its existing subsidiaries will be transferred to a nominee of the administrator of a creditors' scheme to be implemented under the Revised Resumption Proposal to fully discharge the Company from all claims and liabilities and the Target Company will become the sole operating subsidiary of the Group upon Completion (the "**Enlarged Group**").

The Company has appointed an independent internal control consultant, ZHONGHUI ANDA Risk Services Limited, to review the financial reporting procedures and internal control systems of the Enlarged Group. The financial reporting procedures and internal control systems review principally covers corporate governance, operational procedures, financial reporting and compliance with the Listing Rules. The review of independent internal control consultant is expected to be completed and finished prior to trading resumption in the Shares.

TENTATIVE TIMETABLE

The Company is in the process of finalising the information for the announcement in respect of transactions under the Revised Resumption Agreement and will publish the announcement in accordance with the Listing Rules and the Takeovers Code as soon as practicable. With regard to the New Listing Application, the Company, the sponsor and the relevant working parties are in the process of providing further information to the regulators. Subject to the in-principal approval of the New Listing Application granted by the Stock Exchange, it is the Company's tentative plan to despatch the circular in respect of the transactions contemplated under the Revised Restructuring Agreement to Shareholders and convene the extraordinary general meeting to approve the aforesaid transactions by the end of 2018. 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 Company's shares on the Stock Exchange, it is the Company's tentative plan to complete the transactions under the Revised Restructuring Agreement and resume trading of its Shares on the Stock Exchange in the first half of 2019. 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, 1 August 2018

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*