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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)

DISCLOSEABLE TRANSACTION - SUPPLEMENTAL AGREEMENTS IN RELATION TO EXTENSION OF LOANS

On 27 November 2017, the First Loan Agreement was entered into between the Lender (a wholly-owned subsidiary of the Company) and the Borrower, pursuant to which the Lender agreed to provide the Borrower the First Loan in an amount of HK\$2,232,000. The maturity date of the First Loan fell on 27 November 2018. On 13 December 2017, the Lender entered into the Second Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower the Second Loan in an amount of HK\$3,968,000. The maturity date of the Second Loan fell on 18 December 2018.

The Board announces that on 18 December 2018, the parties entered into the Supplemental Agreements to the Loan Agreements whereby (i) the Borrower had paid the interest accrued on the First Loan and the Second Loan up to the date of the Supplemental Agreements to the Lender; and (ii) the Lender agreed to extend the repayment date of the First Loan and the Second Loan to 18 December 2019. Save as disclosed herein, all other terms and provisions of the Loan Agreements shall remain in full force and effect.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the total amount of financial assistance granted to the Borrower under the Loan Agreements exceeds 5% but less than 25%, the extension of the Loans under the Supplemental Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

The Board announces that on 18 December 2018, the Lender (a wholly-owned subsidiary of the Company) and the Borrower entered into the Supplemental Agreements to the Loan Agreements, pursuant to which the Lender agreed to extend the repayment date of the Loans in the aggregate principal amount of HK\$6,200,000 to 18 December 2019.

THE LOAN AGREEMENTS AND THE SUPPLEMENTAL AGREEMENTS

On 27 November 2017, the First Loan Agreement was entered into between the Lender (a wholly-owned subsidiary of the Company) and the Borrower, pursuant to which the Lender agreed to provide the Borrower the First Loan in an amount of HK\$2,232,000. The maturity date of the First Loan fell on 27 November 2018. On 13 December 2017, the Lender entered into the Second Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower the Second Loan in an amount of HK\$3,968,000. The maturity date of the Second Loan fell on 18 December 2018. The principal terms of the Loan Agreements are set out below:

	First Loan Agreement	Second Loan Agreement
Date:	27 November 2017	13 December 2017
Lender:	Easy Run Global Limited, a wholly-owned subsidiary of the Company	Easy Run Global Limited, a wholly-owned subsidiary of the Company
Borrower:	Global Food Culture Group Limited	Global Food Culture Group Limited
Loan principal:	HK\$2,232,000	HK\$3,968,000

Interest rate:	8% per annum	8% per annum
Collateral:	No guarantee or asset pledge or charge was provided	No guarantee or asset pledge or charge was provided
Maturity Date:	27 November 2018	18 December 2018

SUPPLEMENTAL AGREEMENTS IN RELATION TO EXTENSION OF LOANS

The Board announces that on 18 December 2018, the Lender and the Borrower entered into the Supplemental Agreements to the Loan Agreements whereby (i) the Borrower had paid the interest accrued on the Loans up to the date of the Supplemental Agreements to the Lender; and (ii) the Lender agreed to extend the repayment date of the First Loan and the Second Loan to 18 December 2019. Save as disclosed herein, all other terms and provisions of the Loan Agreements shall remain in full force and effect.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability and is principally engaged in the operation of Japanese restaurants and local cafes in Hong Kong. The Borrower is a wholly-owned subsidiary of GFC, in which the Group has an approximately 36% interest through the Lender. The GFC Group is principally engaged in the provision of food catering services and operating restaurants, cafes and take-away outlets in Hong Kong. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the shareholders of GFC holding the remaining 64% interest in GFC and their ultimate beneficial owner(s) are Independent Third Parties. Each of GFC and the Borrower is accounted for as an associate of the Company.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

The Company is an investment holding company and the Group is principally engaged in growing, processing and sales of agricultural products, and production and sales of consumer food products. The Lender is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. The Lender has financed the Loans with the Group's internal cash resources.

As disclosed in the Company's announcement dated 17 July 2017 relating to the acquisition of equity interest in GFC, the Directors considered that such acquisition allows the Group to diversify its income stream and attempt to expand its operations from production of food products into the restaurant industry operation. However, the performance of the business carried by GFC has been falling short of the Group's

expectation as originally contemplated at the time of acquisition of such business in 2017. Its performance was adversely affected by severe competition and downward economic environment of food industry in Hong Kong and thus affecting its ability to repay the Loans to the Borrower. Having considered that (i) the Borrower is a wholly-owned subsidiary of GFC. As a shareholder of GFC, it is in the interest of the Company to provide the financing to support the funding required by the Borrower; (ii) the extension of the Loans would bring additional interest income to the Group; and (iii) the short tenure of the Loans, the Directors considered that the terms of the Supplemental Agreements are fair and reasonable and the entering into of the Supplemental Agreements is in the interests of the Company and the Shareholders as a whole.

Following the maturity of the First Loan on 27 November 2018, the Borrower had made request to the Lender for extension of repayment of the principal in the total amount of HK\$6,200,000 advanced to the Borrower under the Loan Agreements (which included the First Loan and the Second Loan). The Lender and the Borrower had been coordinating the execution of the supplemental loan agreements but the Supplemental Agreements were not entered until 18 December 2018. Given the Borrower had continued making interest payment under the Loan Agreements after the expiry of the term under the First Loan Agreement and the Borrower is an associate of the Group, the Directors considered that the process of extending the Loans and the execution of the Supplemental Agreements are in the interests of the Company and the Shareholders.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the total amount of financial assistance granted to the Borrower under the Loan Agreements exceeds 5% but less than 25%, the extension of the Loans under the Supplemental Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	Global Food Culture Group Limited, a company incorporated in Hong Kong with limited liability

“Company”	China Green (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“First Loan”	the loan with principal amount of HK\$2,232,000 granted by the Lender to the Borrower pursuant to the First Loan Agreement
“First Loan Agreement”	the loan agreement dated 27 November 2017 entered into between the Lender and the Borrower in respect of the First Loan
“GFC”	GFC Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“GFC Group”	GFC and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of the Company and the connected persons of the Company
“Lender”	Easy Run Global Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	First Loan and Second Loan

“Loan Agreements”	First Loan Agreement and Second Loan Agreement
“Second Loan”	the loan with principal amount of HK\$3,968,000 granted by the Lender to the Borrower pursuant to the Second Loan Agreement
“Second Loan Agreement”	the loan agreement dated 13 December 2017 entered into between the Lender and the Borrower in respect of the Second Loan
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	two supplemental agreements both dated 18 December 2018 entered into between the Lender and the Borrower to supplement the Loan Agreements
“%”	per cent.

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

Hong Kong, 18 December 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 Mr. Zhuang Zongming.