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If you have sold or transferred all your shares in China Green (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchasers or transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or transferees.

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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)

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES AND NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



高銀融資有限公司

GOLDIN FINANCIAL LIMITED

A letter from the Independent Board Committee is set out on page 10 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 19 of this circular.

A notice convening the SGM to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 30 June 2014 at 11:00 a.m. (or so soon after the conclusion of the special general meeting of the Company convened to be held on the same date and place at 10:30 a.m.) is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	10
Letter from the Independent Financial Adviser	11
Notice of SGM	SGM-1

DEFINITIONS

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

“7.00 per cent. 2016 Bonds”	United States Dollar settled 7.00 per cent. secured convertible bonds due 2016 in the aggregate principal amount of RMB515,280,000 issued by the Company
“10.00 per cent. 2016 Bonds”	United States Dollar settled 10.00 per cent. secured convertible bonds due 2016 in the aggregate principal amount of RMB515,280,000 issued by the Company
“AGM”	the annual general meeting of the Company held on 18 October 2013
“associate(s)”	has the meaning as ascribed to it in the Listing Rules
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Board”	the board of Directors
“Bondholder(s)”	person(s) whose name(s) is/are registered in the register(s) of holders of the 7.00 per cent. 2016 Bonds and/or the 10.00 per cent. 2016 Bonds
“Capital Mate”	Capital Mate Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Sun Shao Feng, an executive Director, the chairman of the Board and the chief executive officer of the Company
“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 (stock code: 904)
“Current Issue Mandate”	the general mandate approved and granted to the Directors at the AGM to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the Refreshed General Mandate
“Independent Financial Adviser”	Goldin Financial Limited, a licensed corporation under the SFO licensed to conduct type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshed General Mandate
“Independent Shareholders”	Shareholders other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the SGM
“Latest Practicable Date”	3 June 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing and Top-up Subscription”	the placing of 176,805,000 Shares by Capital Mate followed by the top-up subscription of 176,805,000 new Shares by Capital Mate, which Shares were allotted and issued under the Current Issue Mandate, details of which are set out in the announcements of the Company dated 14 March 2014 and 28 March 2014
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the SGM to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 30 June 2014 at 11:00 a.m. (or so soon after the conclusion of the special general meeting of the Company convened to be held on the same date and place at 10:30 a.m.) for the purpose of considering, and if thought fit, approving the proposed grant of the Refreshed General Mandate, the notice of which is set out on pages SGM-1 to SGM-3 of this circular
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In this circular, amounts quoted in RMB have been converted into HK\$ at a rate of RMB1 to HK\$1.24. Such exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sun Shao Feng (*Chairman and
Chief Executive Officer*)

Mr. Chen Changgai

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent Non-executive Directors:

Mr. Wei Xiongwen

Mr. Hu Ji Rong

Mr. Zheng Baodong

*Head office and principal place
of business in Hong Kong:*

Rooms 4120-24, 41/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

6 June 2014

*To the Shareholders and for information only,
the Bondholders*

Dear Sir/Madam

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

The purpose of this circular is to provide you with (i) information in respect of the resolution to be proposed at the SGM regarding the proposed grant of the Refreshed General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshed General Mandate; and (iv) notice of the SGM.

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Current Issue Mandate to allot and issue up to 176,807,108 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. There had not been any refreshment of the Current Issue Mandate since the AGM up to the Latest Practicable Date.

* For identification purpose only

LETTER FROM THE BOARD

Fund raising activities under the Current Issue Mandate

Save for the fund raising activity mentioned below, the Company has not carried out other fund raising activities under the Current Issue Mandate since the AGM up to the Latest Practicable Date.

Date of announcement	Event	Estimated net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
14 March 2014 and 28 March 2014	Placing and Top-up Subscription of 176,805,000 new Shares	HK\$101.5 million	To reduce indebtedness of the Group and as general working capital, as disclosed in the Company's announcements dated 14 March 2014 and 28 March 2014.	Used as intended, as to approximately (i) HK\$3.5 million used as general working capital; and (ii) HK\$98 million used to pay off part of the following indebtedness of the Group: (a) the interest of the 7.00 per cent. 2016 Bonds in the aggregate amount of approximately RMB15.13 million (equivalent to approximately HK\$18.76 million) accumulated from 13 November 2013 to 13 April 2014; (b) the interest of the 10.00 per cent. 2016 Bonds in the aggregate amount of approximately RMB21.61 million (equivalent to approximately HK\$26.80 million) accumulated from 13 November 2013 to 13 April 2014; and (c) the remaining balance on part of the mandatory redemption on the 10.00 per cent. 2016 Bonds made by the Company in accordance with the terms and conditions of the 10.00 per cent. 2016 Bonds as disclosed in the Company's announcement dated 14 April 2014.

LETTER FROM THE BOARD

Date of announcement	Event	Estimated net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
4 September 2013 and 23 October 2013	Issue and allotment of 226,553,576 new Shares under the specific mandate to Partner Shanghai Limited (the “Subscriber”)	HK\$303.6 million	To repay loans under funding arrangements that are expected to be extended by 北大未名 (上海) 投資控股有限公司 (in English, for identification purpose only, Peking University V-Ming (Shanghai) Investment Holdings Co., Limited) to the China Green Foods Group Co Ltd (中綠食品集團有限公司). The proceeds from the funding arrangements was applied to pay down and reduce the aggregate principal amount of the bonds previously issued by the Company as part of its restructuring.	Completion has not yet taken place

Note: Based on the announcement dated 14 March 2014, a specific mandate placing agreement has been entered into on the same day between the Company and the Placing Agent, pursuant to which the Placing Agent has agreed to place up to 265,210,000 Shares to not fewer than six placees under specific mandate at a placing price of HK\$0.60 per Share. As announced on 28 April 2014, the specific mandate placing could not be completed in accordance with the terms of the specific mandate placing agreement in light of the current market condition. As such, the Company and the Placing Agent have mutually agreed to terminate the specific mandate placing.

Extent of Current Issue Mandate utilised

Subsequent to the completion of the Placing and Top-up Subscription as set out above, there only remains 2,108 Shares issuable under the Current Issue Mandate as at the Latest Practicable Date. Such number only represents approximately 0.0002% of the issued Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Reasons for the proposed grant of the Refreshed General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in branded food and beverage, processed products and fresh produce businesses. Recently, the Group has entered into a memorandum of understanding with Oriental Unicorn Agricultural Group Limited regarding the intended cooperation to enhance the existing business of the Group in agricultural products cultivation and development, details of which are set out in the Company's announcement dated 27 March 2014. As at the Latest Practicable Date, the Company was still in the course of exploring the business opportunities contemplated under the intended cooperation with Oriental Unicorn Agricultural Group Limited and no formal agreements have been entered into between the parties thereto and the Company had no present intention to issue Shares in relation to such intended cooperation with Oriental Unicorn Agricultural Group Limited. The intended cooperation with Oriental Unicorn Agricultural Group Limited pursuant to the memorandum of understanding is independent from the Refreshed General Mandate.

The Board would like to provide flexibility for the Company to raise funds for its future business development and/or opportunities to be identified by the Company through equity financing. Given that equity financing (i) does not incur any interest expenses on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes the Refreshed General Mandate shall be granted to the Directors. As at the Latest Practicable Date, the Company has not identified any such business development and/or opportunities.

Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 1,060,840,540 Shares) and assuming that there is no change in the issued share capital of the Company prior to the date of the SGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue up to 212,168,108 new Shares.

The Refreshed General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Bye-laws or any applicable laws to hold its next annual general meeting; and (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

SGM

The SGM will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 30 June 2014 at 11:00 a.m. (or so soon after the conclusion of the special general meeting of the Company convened to be held on the same date and place at 10:30 a.m.) for the Independent Shareholders to consider and approve, if thought fit, the proposed grant of the Refreshed General Mandate. The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the SGM will be voted on by way of poll.

LETTER FROM THE BOARD

As the proposed grant of the Refreshed General Mandate is to be proposed to the Shareholders before the Company's next annual general meeting, pursuant to the Listing Rules, this proposal is subject to the Independent Shareholders' approval by way of poll at the SGM. According to Rule 13.36(4) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, Capital Mate, a company wholly owned by Mr. Sun Shao Feng, an executive Director, the chairman of the Board and chief executive officer of the Company, was holding 407,274,000 Shares, representing approximately 38.39% of the issued Shares and was the controlling Shareholder. As such, Capital Mate and Mr. Sun Shao Feng, together with their associates who as at the date of SGM shall hold any Shares, are required to abstain from voting in favour of the resolution at the SGM.

The Independent Board Committee, comprising Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Zheng Baodong, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. Goldin Financial Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the SGM to the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Save as disclosed in this circular, at the Latest Practicable Date, there were no other controlling Shareholders and their respective associates controlled or are entitled to exercise control over the voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution for approving the proposed grant of the Refreshed General Mandate at the SGM.

RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 10 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 11 to 19 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the best interests of the

LETTER FROM THE BOARD

Company and its Shareholders and accordingly recommends the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

Accordingly, the Directors (including the independent non-executive Directors) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

On behalf of the Board
China Green (Holdings) Limited
Sun Shao Feng
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

6 June 2014

To the Independent Shareholders

Dear Sir/Madam

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 6 June 2014 (“**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the advice of Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully

Independent Board Committee

Mr. Wei Xiongwen

*Independent non-executive
Director*

Mr. Hu Ji Rong

*Independent non-executive
Director*

Mr. Zheng Baodong

*Independent non-executive
Director*

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the full text of the letter of advice from Goldin Financial Limited in relation to the Refreshed General Mandate to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited
23/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

6 June 2014

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in relation to the Refreshed General Mandate, details of which are contained in the letter from the Board (the “Letter from the Board”) on page 4 to page 9 of the circular of the Company dated 6 June 2014 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the content otherwise requires.

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders approval by way of poll at the general meeting of the Company. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and chief executives of the Company and their respective associates shall abstain from voting in favour of the resolution for approving the Refreshed General Mandate as required under Rule 13.36(4)(a) of the Listing Rules. As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, Capital Mate, a company wholly owned by Mr. Sun Shao Feng, an executive Director, the chairman of the Board and chief executive officer of the Company, was holding 407,274,000 Shares, representing approximately 38.39% of the issued Shares, and was the controlling Shareholder. As such, Capital Mate and Mr. Sun Shao Feng, together with their associates who as at the date of SGM shall hold any Shares, are required to abstain from voting in favour of the resolution at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Zheng Baodong, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the Refreshed General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the SGM.

The Directors have collectively and individually accepted full responsibility for the Circular which includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the Refreshed General Mandate, we have considered the following principal factors and reasons:

1. Background of and reasons for the Refreshed General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in branded food and beverage, processed products and fresh produce businesses.

At the AGM held on 18 October 2013, the then Shareholders approved, among other things, the grant to the Directors the Current Issue Mandate to allot and issue up to 176,807,108 Shares, being 20% of the then issued share capital of the Company of 884,035,540 Shares as at the date of the AGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 14 March 2014, the Company, Capital Mate and Oriental Patron Securities Limited (the “Placing Agent”) entered into a placing agreement, and the Company and Capital Mate entered into a top-up subscription agreement, pursuant to which (i) Capital Mate has placed, through the Placing Agent on a best effort basis, an aggregate of 176,805,000 Shares issued under the Current Issue Mandate at the issue price of HK\$0.60 per Share to not fewer than six placees, who and whose ultimate beneficial owner are independent third parties to the Company (the “Top-up Placing”); and (ii) Capital Mate has subscribed for such number of Shares as is equal to the number of Shares successfully placed by the Placing Agent pursuant to the Top-up Placing (the “Top-up Subscription”) details of which were set out in the announcements of the Company dated 14 March 2014 and 28 March 2014. The Top-up Placing and Top-up Subscription were completed on 19 March 2014 and 28 March 2014 respectively. The net proceeds from the Top-up Subscription, after deduction of the placing commission and other related expenses, were approximately HK\$101.5 million.

During the period from the grant of the Current Issue Mandate to the Latest Practicable Date, 176,805,000 Shares have been issued under the Current Issue Mandate, representing that the Current Issue Mandate has been utilised as to approximately 99.99%. If the Current Issue Mandate is not to be refreshed, only 2,108 new Shares may be further issued under the Current Issue Mandate. In addition, we were advised by the Directors that the next annual general meeting of the Company will not be held until around October 2014, which is about four months away from the Latest Practicable Date. If the Current Issue Mandate (which has almost been fully utilised) is not to be refreshed at the SGM, the Company will not have the flexibility to raise fund by way of issuing new Shares under the general mandate, if so required, until a new general mandate is approved at the next annual general meeting.

According to the interim report of the Company for the six months ended 31 October 2013 (the “Interim Report 2013”), in order to meet the growing demand for the Group’s branded beverage products, the Group has plans to improve its processing capabilities through continuing its investment in fully-automated beverage processing plant and construction of additional processing plants in the future. According to the Interim Report 2013, as the Company currently relies upon 7 third party original equipment manufacturing (the “OEM”) producers to produce the branded beverage products, which accounted for approximately 59.7% of the production volume, the Group believes that building of new self-owned factories would minimise the risks associated with the OEM business model and improve the overall margin of the branded beverage products business. In addition, with multigrain beverage being the key driver of this business segment, the Group also seeks to invest in multi grain cultivation base in Jilin Province, the PRC in order to create better vertical integration and ensure better food safety and brand preservation. In line with the above vertical integration strategy, the Group has recently entered into a memorandum of understanding with Oriental Unicorn Agricultural Group Limited regarding the intended cooperation to enhance the existing business of the Group in agricultural products cultivation and development, details of which are set out in the Company’s announcement dated 27 March 2014. As at the Latest Practicable Date, the Company was still in the course of exploring the business opportunities contemplated under the intended cooperation with Oriental Unicorn Agricultural Group Limited and no formal agreements have been entered into between the parties thereto and the Company had no present intention to issue Shares in relation to such intended cooperation with Oriental Unicorn Agricultural Group Limited. The intended cooperation with Oriental Unicorn Agricultural Group Limited pursuant to the memorandum of understanding is independent from the Refreshed General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the Interim Report 2013, the unaudited current liability of the Group as at 31 October 2013 was RMB1,519.17 million, of which RMB1,293.44 million was attributable to the convertible bonds matured on 12 April 2013 (the “Old Bonds”). We noted that on 13 November 2013, the Company successfully restructured the Old Bonds through (i) cash paid in the amount of approximately RMB318.4 million to the bondholder, (ii) issue of 7.00 per cent, secured convertible bonds due 2016 in the aggregate principal amount of RMB515,280,000; and (iii) issue of 10.00 per cent, secured convertible bonds due 2016 in the aggregate principal amount of RMB515,280,000. Based on the information provided by the Company as extracted from the management accounts of the Group as at 30 April 2014, the cash and cash equivalent, convertible bonds due and interest accrued thereof, borrowings due and interest accrued thereof, were approximately RMB292.0 million, RMB914.0 million and RMB776.0 million respectively, resulting in a net debt position of approximately RMB1,398.0 million as at 30 April 2014. We noted that the pace of the expansion will very much depend on the growth of demand of branded beverage products and also the adequacy and availability of the Group’s free capital. Consequently, such capital expenditure is to be invested prudently so as to ensure the liquidity of the Group, and in our view, by strengthening the Group’s financial position, including but not limited to raising equity capital under the Refreshed General Mandate, could expedite the expansion and allow the Group to make timely commitments in suitable investment opportunities as and when appropriate.

On the basis of a total of 1,060,840,540 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of Company between the Latest Practicable Date and the date of the SGM, the Refreshed General Mandate, if granted, will authorise the Directors to allot and issue up to a maximum of 212,168,108 Shares, representing 20% of the issued share capital of the Company as at the date of the SGM.

Having considered that (i) the Current Issue Mandate has been utilised as to approximately 99.99%; (ii) the Refreshed General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its operations or expansion as well as to capture investment opportunities that could create returns to the Shareholders; and (iii) the Refreshed General Mandate would strengthen the capital base and financial position of the Company amidst the current uncertain economic and market conditions, we are of the view that the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. History of capital raising activities of the Group during the last 12 months

According to the information provided by the Directors, we summarise the capital raising activity of the Company during the past 12 months immediately preceding the Latest Practicable Date in the following table:

Date of announcement	Description	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
14 March 2014 and 28 March 2014	Placing and Top-up Subscription of 176,805,000 new Shares under the Current General Mandate	HK\$101.5 million	To reduce indebtedness of the Group and as general working capital, as disclosed in the Company's announcements dated 14 March 2014 and 28 March 2014.	Used as intended, as to approximately (i) HK\$3.5 million used as general working capital; and (ii) HK\$98 million used to pay off part of the following indebtedness of the Group: (a) the interest of the 7.00 per cent. 2016 Bonds in the aggregate amount of approximately RMB15.13 million (equivalent to approximately HK\$18.76 million) accumulated from 13 November 2013 to 13 April 2014; (b) the interest of the 10.00 per cent. 2016 Bonds in the aggregate amount of approximately RMB21.61 million (equivalent to approximately HK\$26.80 million) accumulated from 13 November 2013 to 13 April 2014; and (c) the remaining balance on part of the mandatory redemption on the 10.00 per cent. 2016 Bonds made by the Company in accordance with the terms and conditions of the 10.00 per cent. 2016 Bonds, as disclosed in the Company's announcement dated 14 April 2014.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Description	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
4 September 2013 and 23 October 2013	Issue and allotment of 226,553,576 new Shares under the specific mandate to Partner Shanghai Limited (the "Subscriber")	HK\$303.6 million	To repay loans under funding arrangements that are expected to be extended by 北大未名 (上海) 投資控股有限公司 (in English, for identification purpose only, Peking University V-Ming (Shanghai) Investment Holdings Co., Limited) to the China Green Foods Group Co Ltd (中緣食品集團有限公司). The proceeds from the funding arrangements was applied to pay down and reduce the aggregate principal amount of the bonds previously issued by the Company as part of its restructuring.	Completion has not yet taken place

Note: Based on the announcement dated 14 March 2014, a specific mandate placing agreement has been entered into on the same day between the Company and the Placing Agent, pursuant to which the Placing Agent has agreed to place up to 265,210,000 Shares to not fewer than six placees under specific mandate at a placing price of HK\$0.60 per Share. As announced on 28 April 2014, the specific mandate placing could not be completed in accordance with the terms of the specific mandate placing agreement in light of the current market condition. As such, the Company and the Placing Agent have mutually agreed to terminate the specific mandate placing.

As confirmed by the Company, as at 30 April 2014, the unaudited cash and cash equivalents position of the Group was RMB292.0 million (equivalent to approximately HK\$368 million). Having considered the existing cash balance and credit resources of the Group, the Directors are of the view that the Group has sufficient working capital to meet its present operational requirements. As stated in the Letter from the Board, the net proceeds of approximately HK\$101.5 million raised under the Placing and Top-up Subscription was fully utilized for the indebtedness reduction of the Group and as general working capital as intended. As confirmed by the Company, the issue of 226,553,576 new Shares to the Subscriber under the subscription agreement dated 4 September 2013 has not yet been completed. Given that the Company has been actively seeking for investments/acquisition opportunities to expand and vertically integrate the branded beverage products business of the Group to bring in returns to the Shareholders as discussed above, we consider that there is no certainty that the existing cash and credit resources will be adequate for business development and acquisition of appropriate investments that may be identified by the Company in the future. In the event that the Group identifies suitable business or investment opportunities and does not have sufficient cash and credit resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the business development or acquisition of such investment opportunities in a timely manner, the Group may lose its opportunity in an otherwise favourable development/investment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the Current Issue Mandate has been nearly used up, it is impossible for the Company to proceed with any equity fund raising exercise and/or to issue new Shares as payment consideration in any possible acquisition transaction in an expedient manner without first seeking separate approval from the Shareholders. In light of the time and cost involved for convening shareholders' meeting, the inability of the Company to issue new Shares under general mandate will largely reduce the flexibility of the Company to structure any potential share transaction or other acquisition project. In particular, the Company may have to pay cash or settle the acquisition consideration in other ways and lose the chance to broaden its shareholder base if the potential sellers or counterparties are interested to become holders of the Shares. Taking into consideration the recent volatility of the market, the Company may fail to grasp good chance for capital raising and/or investment opportunities if it needs to wait around four months until the next annual general meeting for the new general mandate or otherwise it is required to seek specific mandate from Shareholders for each equity issuance which may not be the most time and cost efficient way to proceed with the transaction.

Based on the aforesaid, we are of the view that the Refreshed General Mandate will provide flexibility to the Company in carrying out fund raising activities, and the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

3. Other financing alternatives

Other financing methods such as debt financing and internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances. As debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund potential investments and/or acquisition, and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition, especially under the situations in which the global financial market has remained uncertain and volatile. In addition, grant of the Refreshed General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more time consuming process of applying for specific mandate in the case of alternative pro-rata equity fund raising such as rights issue and open offer when such need for capital may arise in the future. Given the aforementioned reasons, we are of the view that equity financing through the use of the Refreshed General Mandate is more flexible and time efficient than alternative equity financing methods such as by way of rights issue or open offer.

We consider that the Refreshed General Mandate will provide the Company with an additional alternative for fund raising. It is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Potential dilution to shareholding of the Shareholders

We set out below the table depicting the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings upon full utilisation of the Refreshed General Mandate assuming that no Share would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the Refreshed General Mandate	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Capital Mate (<i>Note 1</i>)	407,274,000	38.39	407,274,000	31.99
Existing public Shareholders	653,566,540	61.61	653,566,540	51.34
Maximum number of new Shares that may be issued under the Refreshed General Mandate (<i>Note 2</i>)	—	—	212,168,108	16.67
Total	1,060,840,540	100.00	1,273,008,648	100.00

Notes:

- Capital Mate Limited is wholly and beneficially owned by Mr. Sun Shao Feng, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company.
- Maximum number of new Shares (calculated based on 1,060,840,540 current issued Shares) which can be issued under the Refreshed General Mandate. The Company confirmed that it will monitor closely and ensure the Company is maintaining the minimum public float requirements as prescribed under the Listing Rules when the new Shares are issued under the Refreshed General Mandate from time to time.

As illustrated in the table above, assuming there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the SGM, 212,168,108 new Shares can be issued upon full utilisation of the Refreshed General Mandate, representing 20% the issued share capital of the Company as at the date of the SGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 61.61% as at the Latest Practicable Date to approximately 51.34% upon full utilisation of the Refreshed General Mandate.

Taking into account that (i) the Refreshed General Mandate will provide an alternative to increase the amount of capital of the Company; (ii) the Refreshed General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current volatile financial market; and (iii) the fact that the shareholding interests of all the Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we consider that such potential dilution to the shareholdings of the existing public Shareholders is justifiable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution approving the Refreshed General Mandate at the SGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the Refreshed General Mandate is utilised.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

NOTICE OF SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of China Green (Holdings) Limited (“**Company**”) will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 30 June 2014 at 11:00 a.m. (or so soon after the conclusion of the special general meeting of the Company convened to be held on the same date and place at 10:30 a.m.) to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the general mandate granted to the directors of the Company (“**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 18 October 2013 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the share capital of the Company (“**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) of this resolution shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period (as defined below);

* For identification purpose only

NOTICE OF SGM

- (d) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“**Bye-laws**”); shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or
- (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

By Order of the Board
China Green (Holdings) Limited
Sung Chi Keung
Company Secretary

Hong Kong, 6 June 2014

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Rooms 4120-24, 41/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more proxy to attend and, subject to the provisions of the by-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company, but must be present in person at the special general meeting to represent the member.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy (if required by the Directors), the power of attorney or other authority (if any), under which it is signed, or a certified copy of such power or authority must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.
4. As at the date of this notice, the Board of Directors comprises two executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer) and Mr. Chen Changgai; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Zheng Baodong.