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CHINA GREEN (HOLDINGS) LIMITED

中國綠色食品（控股）有限公司*

(To be renamed as China Culiangwang Beverages Holdings Limited

中國粗糧王飲品控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 904)

**PROPOSED OPEN OFFER OF
NOT LESS THAN 530,420,270 OFFER SHARES
AND NOT MORE THAN 802,736,922 OFFER SHARES
AT HK\$0.25 PER OFFER SHARE
ON THE BASIS OF 1 OFFER SHARE FOR EVERY 2 EXISTING
SHARES HELD ON THE RECORD DATE
AND
PROPOSED CHANGE OF BOARD LOT SIZE**

Underwriter



軟庫中華金融服務有限公司
SBI China Capital Financial Services Limited

PROPOSED OPEN OFFER

The Company proposes to raise not less than approximately HK\$132.6 million before expenses by issuing not less than 530,420,270 Offer Shares and not more than approximately HK\$200.7 million before expenses by issuing not more than 802,736,922 Offer Shares at the subscription price of HK\$0.25 per Offer Share on the basis of one Offer Share for every two Shares in issue on the Record Date. The Company intends to use the net proceeds from the Open Offer as to approximately HK\$47.0 million for the payment of interests of the Bonds which will be due in October 2014 and as to the remaining of approximately HK\$81.6 million (based on the minimum amount of net proceeds) to reduce the debt level of the Group and as general working capital of the Group.

Based on 1,060,840,540 Shares in issue as at the date of this announcement and assuming that there is no change to the issued share capital of the Company from the date of this announcement up to the Record Date and no exercise of the conversion rights under the Bonds before the Record Date, upon completion of the Open Offer, 530,420,270 Offer Shares will be issued. If the conversion rights under the Bonds were exercised in full on or before the Record Date, upon completion of the Open Offer, 802,736,922 Offer Shares will be issued.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the minimum aggregate number of 530,420,270 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 50% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.33% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

Assuming that the conversion rights under the Bonds were exercised in full on or before the Record Date and there is no other change to the issued share capital of the Company from the date of this announcement up to the Record Date, the maximum aggregate number of 802,736,922 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 50% of the issued share capital of the Company as enlarged by the Shares allotted and issued pursuant to the exercise of the conversion rights under the Bonds in full; and (ii) approximately 33.33% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

The Company's register of members will be closed from Friday, 22 August 2014 to Wednesday, 27 August 2014, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this book closure period.

The Record Date is Wednesday, 27 August 2014. The last day of dealings in the Shares on a cum-entitlement basis is Tuesday, 19 August 2014. The Shares will be dealt in on an ex-entitlement basis from Wednesday, 20 August 2014. To qualify for the Open Offer, Shareholders must be registered as a member of the Company as at the Record Date and not be an Excluded Shareholder.

Underwriting Agreement

Pursuant to the Underwriting Agreement, the Open Offer (other than the Committed Shares which Capital Mate has agreed to take up, being all of its assured entitlement under the Open Offer) will be fully underwritten by the Underwriter, on the terms and subject to the conditions in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally undertaken to underwrite the Offer Shares (other than the Committed Shares), being not less than 326,783,270 Offer Shares and not more than 599,099,922 Offer Shares on a fully underwritten basis. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, the Company shall have obtained an undertaking to be signed by Capital Mate in relation to the acceptance of the Committed Shares.

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial shareholder of the Company (or a close associate of any of them), pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders) on Thursday, 28 August 2014.

PROPOSED CHANGE OF BOARD LOT SIZE

It is proposed that with effect from the date of allotment and issue of the Offer Shares, the board lot size for trading in the Shares on the Stock Exchange shall be changed from 3,000 to 6,000 so that the estimated market value per board lot of the Shares will be HK\$2,460 (based on the theoretical ex-right price of HK\$0.410 per Share as at the date of this announcement).

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer	:	One Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance
Subscription Price	:	HK\$0.25 per Offer Share
Number of Shares in issue	:	1,060,840,540 Shares
as at the date of		
this announcement		

Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement : Under the Bonds, (i) up to 499,302,326 Conversion Shares would be allotted and issued upon exercise of the conversion rights under the 7.00 per cent. Bonds at the adjusted conversion price of HK\$1.29 per Conversion Share (subject to adjustments); and (ii) up to 45,330,978 Conversion Shares would be allotted and issued upon exercise of the conversion rights under the 10.00 per cent. Bonds at the adjusted conversion price of HK\$10.89 per Conversion Share (subject to adjustments).

Under the Master Framework and Subscription Agreement, 226,553,576 new Shares may be issued and allotted under specific mandate to Partner Shanghai as the subscriber. Under the PS Consent and Undertaking, Partner Shanghai will undertake not at any time from the date of the PS Consent and Undertaking up to and including the Record Date exercise its right under the Master Framework and Subscription Agreement to request for completion of the subscription under the Master Framework and Subscription Agreement. Please also refer to the sub-paragraph headed “PS Consent and Undertaking” in the paragraph headed “Underwriting Agreement” below for further details.

Number of Offer Shares : Not less than 530,420,270 Offer Shares and not more than 802,736,922 Offer Shares.

The aggregate nominal value of the total Offer Shares will be not less than HK\$53,042,027.0 and not more than HK\$80,273,692.2.

Assuming that only 530,420,270 Offer Shares are issued under the Open Offer, the net subscription price for each Offer Share is approximately HK\$0.242.

Number of Shares in issue upon completion of the Open Offer : Not less than 1,591,260,810 Shares and not more than 2,408,210,766 Shares

Amount raised before expenses : Not less than approximately HK\$132.6 million and not more than approximately HK\$200.7 million

The number of Offer Shares which may be issued pursuant to the Open Offer will be increased in proportion to any Conversion Shares which may be allotted and issued pursuant to the exercise of the Bonds on or before the Record Date. As at the date of this announcement, up to a total of 544,633,304 Conversion Shares may fall to be allotted and issued pursuant to the exercise of the conversion rights attaching to the Bonds.

Based on 1,060,840,540 Shares in issue as at the date of this announcement and assuming that there is no change to the issued share capital of the Company from the date of this announcement up to the Record Date and no exercise of the conversion rights under the Bonds before the Record Date, upon completion of the Open Offer, 530,420,270 Offer Shares will be issued. If the conversion rights under the Bonds were exercised in full on or before the Record Date, upon completion of the Open Offer, 802,736,922 Offer Shares will be issued.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the minimum aggregate number of 530,420,270 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 50% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.33% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

Assuming that the conversion rights under the Bonds were exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement up to the Record Date, the maximum aggregate number of 802,736,922 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 50% of the issued share capital of the Company as enlarged by the Shares allotted and issued pursuant to the exercise of the conversion rights under the Bonds in full; and (ii) approximately 33.33% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

As at the date of this announcement, save as disclosed in the heading “Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement” above, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

To qualify for the Open Offer, Shareholders must be registered as a member of the Company on or before the Record Date and not be an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the

relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

The Record Date is Wednesday, 27 August 2014. The last day of dealings in the Shares on a cum-entitlement basis is Tuesday, 19 August 2014. The Shares will be dealt in on an ex-entitlement basis from Wednesday, 20 August 2014.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 21 August 2014.

Save for Capital Mate, who has irrevocably undertaken to the Company to accept and pay for the Committed Shares (being all of its assured entitlement under the Open Offer), as at the date of this announcement the Board has not received any information from any substantial Shareholders of their intention to take up the Offer Shares under the Open Offer.

Excluded Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Open Offer as explained below.

The Directors will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

The result of the enquiries and the basis of the exclusion, if any, will be included in the Prospectus.

Closure of register of members

The register of members of the Company will be closed from Friday, 22 August 2014 to Wednesday, 27 August 2014, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during the book closure period.

Subscription Price

The Subscription Price is HK\$0.25 per Offer Share, payable in full when a Qualifying Shareholder accepts his/her/its allotment under the Open Offer.

The Subscription Price represents:

- (1) a discount of approximately 49.0% to the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (2) a discount of approximately 47.5% to the average closing price of HK\$0.476 per Share quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day.

The Subscription Price also represents a discount of approximately 39.0% to the theoretical ex-entitlement price of approximately HK\$0.410 per Share based on the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market conditions and the recent trading price of the Shares.

Status of the Offer Shares

Each of the Offer Shares, when allotted, issued and fully paid, will rank equally in all respects with the Shares in issue on the date of their respective allotment and issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared after the date of their allotment and issue.

Fractions of the Offer Shares

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders. All such fractional entitlements will be aggregated and taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

Certificates of the Offer Shares

Subject to the fulfilment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Monday, 22 September 2014 to those entitled thereto by ordinary post at their own risk.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Save that the Bonds are listed on the Singapore Exchange Securities Trading Limited, no part of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the grant of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange or any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

UNDERWRITING AGREEMENT

Date : 29 July 2014

Parties : (1) the Company; and
(2) SBI China Capital Financial Services Limited (as the Underwriter).

The Underwriter is a company incorporated in Hong Kong with limited liability, and a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. As at the date of this announcement, the Underwriter does not hold any Shares. Each of the Underwriter and its ultimate beneficial owners is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

Number of Underwritten Shares : The Offer Shares other than the Committed Shares, being not less than 326,783,270 Offer Shares (Note 1) and not more than 599,099,922 Offer Shares (Note 2).

Notes:

1. This figure assumes that no further Shares will be allotted and issued before the Record Date from the date of this announcement.
2. This figure assumes that the conversion rights under the Bonds have been exercised in full and new Shares have been allotted and issued pursuant thereto on or before the Record Date (but otherwise, no Shares have been allotted and issued on or before the Record Date).

Commission and expenses : The Company shall pay:

- (a) to the Underwriter an underwriting commission of HK\$3,267,832.70; and
- (b) to the Underwriter of reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer.

The commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter. The Directors consider that such amount is on normal commercial terms and is comparable with market rate.

Under the Underwriting Agreement, if the conditions of the Open Offer are fulfilled on or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up (“**Untaken Shares**”), the Company shall as soon as practicable thereafter and in any event before 6:00 p.m. on the second Business Day after the Latest Time for Acceptance, notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:

- (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 30% of the then issued share capital of the Company;
- (2) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares;
- (3) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company (within the meaning of the Listing Rules) or any of its subsidiaries and their respective close associates; and
- (4) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer solely because of the Underwriter’s performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 the Listing Rules.

CM Undertaking

As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, the Company shall have obtained the CM Undertaking pursuant to which Capital Mate shall irrevocably confirm, undertake and warrant to the Company that:

- (1) Capital Mate shall accept and pay for the Committed Shares and undertake to lodge or procure to be lodged with the Company, acceptance in respect of such Committed Shares, with payment in full therefor in cash by no later than the Latest Time for Acceptance; and
- (2) the aggregate of 407,274,000 Shares currently beneficially owned by Capital Mate will remain beneficially owned by Capital Mate at the close of business on the Record Date as they are as at the date thereof free from encumbrances and that it will not change its registered address in the register of members of the Company (unless such change is to change to an address in Hong Kong).

PS Consent and Undertaking

Reference is made to the circular of the Company dated 2 October 2013 in relation to the Master Framework and Subscription Agreement. If the Open Offer is to proceed, the transactions contemplated thereunder may result in the increase of the issued share capital of the Company and thereupon constitutes an adjustment event under the Master Framework and Subscription Agreement and would require the consent of Partner Shanghai, the investor as named in Master Framework and Subscription Agreement. In this regard, as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, the Company shall have obtained the PS Consent and Undertaking pursuant to which Partner Shanghai shall:

- (1) grant an unconditional and irrevocable consent to the Company to proceed with the Open Offer in accordance with the terms and conditions of the Underwriting Agreement notwithstanding the Open Offer will constitute an adjustment event under the Master Framework and Subscription Agreement; and
- (2) irrevocably confirm, undertake and warrant to the Company that Partner Shanghai will not at any time from the date of the PS Consent and Undertaking up to and including the Record Date exercise its right under the Master Framework and Subscription Agreement to request for completion of the subscription under the Master Framework and Subscription Agreement.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (e) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 20 consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (3) the Prospectus in connection with the Open Offer when published contain information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter is also entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

If the Underwriting Agreement is terminated by the Underwriter on or before the aforesaid deadline or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Open Offer will not proceed.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (1) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares (in their fully-paid forms) by no later than the Prospectus Posting Date and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- (2) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) by no later than the Prospectus Posting Date;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;

- (4) delivery to the Underwriter on or before the date of the Underwriting Agreement (i) the CM Undertaking duly executed by Capital Mate and (ii) the PS Consent and Undertaking duly executed by Partner Shanghai;
- (5) compliance with and performance by (i) Capital Mate of the CM Undertaking; and (ii) Partner Shanghai of the PS Consent and Undertaking; and
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time of Termination.

Save for the condition precedent as set out in sub-paragraph (4) above which is capable of being waived by the Underwriter, none of the conditions precedent as set out above are capable of being waived by any party to the Underwriting Agreement.

If the conditions precedent as set out above are not satisfied by the Latest Time for Acceptance (or such later time and/or date as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate (save for any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise.

CHANGES IN SHAREHOLDING STRUCTURE

For illustrative purposes:

- (1) If the Open Offer is to proceed, set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the date of this announcement up to the Record Date and there is no Excluded Shareholder on the Record Date:

Shareholder	(1) As at the date of this announcement and up to the Record Date		(2) Immediately upon completion of the Open Offer (assuming all Shareholders have taken up the Offer Shares in full)		(3) Immediately upon completion of the Open Offer (assuming no Shareholder (other than Capital Mate who has taken up the Committed Shares) has taken up the Offer Shares)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Capital Mate	407,274,000	38.39	610,911,000	38.39	610,911,000	38.39
<i>Public Shareholders:</i>						
Underwriter or subscribers procured by it (Note)	–	–	–	–	326,783,270	20.54
Bondholders and other public Shareholders	653,566,540	61.61	980,349,810	61.61	653,566,540	41.07
Total:	<u>1,060,840,540</u>	<u>100.00</u>	<u>1,591,260,810</u>	<u>100.00</u>	<u>1,591,260,810</u>	<u>100.00</u>

- (2) If the Open Offer is to proceed, set out below is the shareholding structure of the Company assuming that (i) the conversion rights under the Bonds have been exercised in full and all the Conversion Shares have been allotted and issued on or before the Record Date; (ii) that there is no other change in the shareholding structure of the Company from the date of this announcement up to the Record Date and (iii) there is no Excluded Shareholder on the Record Date:

Shareholder	(1) As at the date of this announcement and up to the Record Date		(2) Immediately upon completion of the Open Offer (assuming all Shareholders have taken up the Offer Shares in full)		(3) Immediately upon completion of the Open Offer (assuming no Shareholder (other than Capital Mate who has taken up the Committed Shares) has taken up the Offer Shares)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	407,274,000	25.37	610,911,000	25.37	610,911,000	25.37
<i>Public Shareholders:</i>						
Underwriter or subscribers procured by it (Note)	—	—	—	—	599,099,922	24.88
Bondholders and other public Shareholders	1,198,199,844	74.63	1,797,299,766	74.63	1,198,199,844	49.75
Total:	<u>1,605,473,844</u>	<u>100.00</u>	<u>2,408,210,766</u>	<u>100.00</u>	<u>2,408,210,766</u>	<u>100.00</u>

Note: Pursuant to the Underwriting Agreement, the Underwriter has undertaken to the Company that when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares: (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 30% of the then issued share capital of the Company; (2) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not

be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares; and (3) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company (within the meaning of the Listing Rules) or any of its subsidiaries and their respective close associates.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors, including the results of acceptance of the Open Offer. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Open Offer upon which the Offer Shares are allotted and issued.

REASONS FOR THE OPEN OFFER

The Group is principally engaged in is principally engaged in growing, processing and sales of agricultural products, and consumer food and beverage products.

The Directors are of the view that the Open Offer will enable the Company to raise funds and provide the Company with the financial flexibility necessary for the Group's future development and investment purposes as and when suitable opportunities arise. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Qualifying Shareholders to participate in the future development of the Company. Accordingly, the Directors consider that the terms of the Underwriting Agreement are fair and reasonable and that the Underwriting Agreement and the Open Offer are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE OPEN OFFER

The Company will raise not less than approximately HK\$132.6 million and not more than HK\$200.7 million before expenses from the Open Offer. The Company intends to use the net proceeds from the Open Offer, being not less than approximately HK\$128.6 million and not more than approximately HK\$196.7 million as to approximately HK\$47 million for the payment of interests of the Bonds which will be due in October 2014 and the remaining of approximately HK\$81.6 million (based on the minimum amount of net proceeds) will be used to reduce the debt level of the Group and as general working capital of the Group.

The estimated expenses in relation to the Open Offer, including underwriting commission, financial, legal and other professional expenses, of approximately HK\$4 million, will be borne by the Company.

CHANGE OF BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot of 3,000 Shares. Based on the closing price of HK\$0.490 per Share (equivalent to a theoretical ex-right price of HK\$0.410 per Share) as at the date of this announcement, the value of each board lot of 3,000 Shares is estimated to be HK\$1,470 upon the allotment and issue of the Offer Shares. It is proposed that with effect from the date of allotment and issue of the Offer Shares, the board lot size for trading in the Shares on the Stock Exchange shall be changed from 3,000 to 6,000 so that the estimated market value per board lot of the Shares will be HK\$2,460 (based on the theoretical ex-right price of HK\$0.410 per Share as at the date of this announcement). The Board considers that the change of board lot size will increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Time and Date
Last day of dealing in Shares on a cum-entitlement basis	Tuesday, 19 August 2014
First day of dealing in Shares on..... ex-entitlement basis	Wednesday, 20 August 2014
Latest time for lodging transfer of Shares in order to be qualify for the Open Offer	4:30 p.m. on Thursday, 21 August 2014
Register of members of the Company closed	Friday, 22 August 2014 to Wednesday, 27 August 2014 (both dates inclusive)
Record Date to determine entitlements under the Open Offer	Wednesday, 27 August 2014

Event	Time and Date
Register of members of the Company re-opens	Thursday, 28 August 2014
Despatch of the Prospectus Documents	Thursday, 28 August 2014
Latest Time for Acceptance of and payment for Offer Shares	4:00 p.m. on Friday, 12 September 2014
Expected time for the Open Offer to become unconditional	4:00 p.m. on Monday, 15 September 2014
Announcement of results of the Open Offer to be published on the Stock Exchange website	Friday, 19 September 2014
Despatch of certificates for the Offer Shares	Monday, 22 September 2014
Despatch of refund cheques if the Open Offer is terminated	Monday, 22 September 2014
Dealings in the Offer Shares expected to commence	Tuesday, 23 September 2014
Effective date of change of board lot size from 3,000 Shares to 6,000 Shares	Monday, 29 September 2014
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	Monday, 29 September 2014
The last day for the designated broker to provide matching services for odd lots of the Shares	Tuesday, 21 October 2014

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

All times in this announcement refer to Hong Kong time. If there is a ‘black’ rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Friday, 12 September 2014, being the date of the Latest Time of Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this announcement for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriter. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

FUND RAISING ACTIVITIES OF THE COMPANY WITHIN 12 MONTHS TO THE DATE OF THIS ANNOUNCEMENT

Apart from the fund raising activity mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
21 April 2013, 23 April 2013, 1 May 2013, 19 July 2013 and 5 November 2013	Issue of the Bonds	There was no proceeds from the issue of the Bonds as the Bonds are issued solely as a consideration of the cancellation of the amount of principal, premium or interest payable in respect of the RMB1,350,000,000 in aggregate principal amount of 3.00 per cent convertible bonds issued by the Company on 12 April 2010 and matured on 12 April 2013	Not applicable	Not applicable

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
14 March 2014 and 28 March 2014	Placing and top-up subscription of 176,805,000 new Shares at HK\$0.60 per Share	HK\$101.5 million	To reduce indebtedness of the Group and as general working capital	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. 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. 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. Bonds made by the Company in accordance with the terms and conditions of the 10.00 per cent. Bonds as disclosed in the announcement of the Company dated 14 April 2014

Reference is made to the announcements of the Company dated 4 September 2013 and 23 October 2013. Under the Master Framework and Subscription Agreement, 226,553,576 new Shares will be issued and allotted under specific mandate to Partner Shanghai as the subscriber at a subscription price of HK\$1.34 per Share. As at the date of this announcement, completion of the subscription has not yet take place and no proceeds from the subscription has been raised.

Reference is also made to the announcement of the Company dated 14 March 2014 in which the Company announced, amongst other matters, the proposed placing of up to 265,210,000 Shares under specific mandate at a price of HK\$0.60 per Share. As announced by the Company on 28 April 2014, such placing was terminated by the Company and the placing agent in light of the then market conditions.

IMPLICATIONS UNDER THE LISTING RULES

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial shareholder of the Company (or a close associate of any of them), pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is not subject to Shareholders' approval under the Listing Rules.

ADJUSTMENTS RELATING TO THE BONDS UPON COMPLETION OF THE OPEN OFFER

Pursuant to the terms and conditions of the Bonds, adjustments to the conversion price per Conversion Share may be made upon the Open Offer becoming unconditional. The Company will notify the Bondholders the adjustments (if any) that ought to be made to the conversion price under the Bonds in accordance with the terms and conditions of the Bonds.

GENERAL

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders) on Thursday, 28 August 2014.

WARNING OF THE RISKS OF DEALING IN SHARES

The Open Offer is conditional, among other things, upon the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in Shares. Any Shareholders or other persons contemplating dealing in the Shares are recommended to consult their own professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 20 August 2014 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Monday, 15 September 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares, who is in any doubt about their position, is recommended to consult their own professional advisers.

DEFINITIONS

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

“7.00 per cent. Bonds”	US\$ 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. Bonds”	US\$ settled 10.00 per cent. secured convertible bonds due 2016 in the aggregate principal amount of RMB394,923,474 issued by the Company
“acting in concert”	has the meaning ascribed to it by the Takeovers Code
“Application Form”	the form of application in respect of the Open Offer
“Board”	the board of Directors
“Bonds”	collectively, the 7.00 per cent. Bonds and the 10.00 per cent. Bonds
“Bondholder(s)”	person(s) whose name(s) is/are registered in the register(s) of holders of the Bonds from time to time
“Business Day”	a day, other than Saturday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong
“Capital Mate”	Capital Mate Limited, a company incorporated in the British Virgin Islands with limited liability and 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the Listing Rules

“CM Undertaking”	the undertaking in relation to the acceptance of the Committed Shares to be signed by Capital Mate and delivered to the Company as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement pursuant to the Underwriting Agreement
“Committed Shares”	being 203,637,000 Offer Shares which Capital Mate irrevocably undertakes to accept as assured entitlement under the Open Offer pursuant to the CM Undertaking
“Company”	China Green (Holdings) Limited (to be renamed as China Culiangwang Beverages Holdings Limited 中國粗糧王飲品控股有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Shares”	shares of the Company which may fall to be allotted and issued upon the exercise of the conversion rights attached to the 7.00 per cent. Bonds or, as the case may be, the 10.00 per cent. Bonds and a “Conversion Share” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	the Overseas Shareholders whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Offer Shares to such Overseas Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company

“Last Trading Day”	29 July 2014, being the date of the Underwriting Agreement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 12 September 2014 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of the Offer Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 15 September 2014 or such later time to be agreed between the Company and the Underwriter, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Framework and Subscription Agreement”	the master framework and subscription agreement dated 4 September 2013 made between, amongst other parties, the Company and Partner Shanghai in relation to amongst other matters, the subscription of 226,553,576 Shares, further particulars of which are set out in the circular of the Company dated 2 October 2013 (as varied and amended by a novation agreement dated 20 June 2014 and made by the same parties and 紫荊控股有限公司(in English for identification only, Tsinghua Redbud Holding Ltd.), further particulars of which as set out in the announcement of the Company dated 20 June 2014)
“Offer Share(s)”	not less than 530,420,270 new Shares and not more than 802,736,922 new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the proposed issue of Offer Shares by way of open offer on the basis of one Offer Share for every two existing Shares held on the Record Date to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong

“Partner Shanghai”	Partner Shanghai Limited, a company incorporated in the British Virgin Islands with limited liability and a party to the Master Framework and Subscription Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Special Administrative Region of Macau of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	28 August 2014 or such later date as may be agreed between the Company and the Underwriter, being the date of despatch of Prospectus Documents
“PS Consent and Undertaking”	the consent and undertaking to be signed and delivered to the Company by Partner Shanghai as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares pursuant to the Underwriting Agreement
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 27 August 2014 (or such other date as may be agreed between the Company and the Underwriter to determine entitlements to the Open Offer)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.25 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Underwriter”	SBI China Capital Financial Services Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 29 July 2014 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	the Offer Shares (other than the Committed Shares), being not less than 326,783,270 Offer Shares and not more than 599,099,922 Offer Shares, to be underwritten by the Underwriter pursuant to the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 29 July 2014

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. Chen Changgai; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Zheng Baodong.

* *For identification purposes only*