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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)

WAIVER IN CONNECTION WITH THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

AND

NOVATION AGREEMENT TO THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

Reference is made to (1) the circular of China Green (Holdings) Limited (the “**Company**”) dated 18 May 2013; (2) the announcement of the Company dated 22 May 2013 in relation to, among others, the formal investigation on the Company initiated by the SFC; (3) the announcement of the Company dated 9 June 2013 in relation to, among other things, the delay in completion of the Original Subscription Agreement; (4) the announcement of the Company dated 23 June 2013 in relation to, among other things, a non-binding term sheet agreed between the Company and the Subscriber; (5) the announcement of the Company dated 4 September 2013 in relation to the Master Framework and Subscription Agreement; (6) the circular of the Company dated 2 October 2013 (the “**Circular**”); (7) the announcement of the Company dated 14 October 2013 in relation to the revised subscription agreement and issue of shares under specific mandate; and (8) the announcement of the Company dated 23 October 2013 in relation to the Loan Agreement executed by the Entrusted PRC Bank, China Green Foods Group and Tsinghua Redbud Holding Ltd.* (紫荊控股有限公司) (“**Tsinghua Redbud**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

WAIVER IN CONNECTION WITH THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

Pursuant to the Master Framework and Subscription Agreement, for so long as any amount is outstanding under the Funding Arrangements, the Company undertakes that none of the Company or the Obligor Subsidiaries (or any of their subsidiaries) shall, among others, create or permit to subsist any security over any of its assets except for ordinary shares held by the Company in each of the New Bonds Guarantor Subsidiaries. The Master Framework and Subscription Agreement may be terminated and the New Subscription may not complete as a result of any breach or defaults of the terms and provisions therein.

In view of the above undertaking and in contemplation of the various loan arrangements (the “**Loan Arrangements**”) involving, amongst other parties, certain Obligor Subsidiaries, the Company obtained a waiver from the Subscriber and PKU V-Ming Investment in February 2014 to the effect that the Subscriber and PKU V-Ming Investment have waived the Company’s obligation to comply with the above undertaking in respect of the Loan Arrangements. Such Loan Arrangements were obtained in the ordinary course of businesses of the relevant Obligor Subsidiaries.

The Board announces that all the loans contemplated under the Loan Arrangements were drawdown in full as at the date of this announcement. Principal terms of such loans are summarized as follow:-

Date of Loan Agreement	Borrower	Lender	Loan Amount	Maturity Date	Interest
4 March 2014	Zhonglu (Quanzhou) Green Foods Development Co., Ltd. (中綠(泉州)食品開發有限公司)	China CITIC Bank - Quanzhou branch	RMB 20,000,000	20 February 2015	the prevailing benchmark RMB lending interest rate offered by The People’s Bank of China (“PBOC”) plus 30% of such rate
27 March 2014	China Green Foods Group	China Merchants Bank Co., Ltd. - Xiamen branch	RMB 30,000,000	27 September 2014	the prevailing benchmark RMB lending interest rate for loan period of six months offered by the PBOC plus 20% of such rate

Date of Loan Agreement	Borrower	Lender	Loan Amount	Maturity Date	Interest
29 April 2014	Zhonglu (Quanzhou) Green Foods Development Co., Ltd. (中綠(泉州)食品開發有限公司)	China CITIC Bank - Quanzhou branch	RMB 30,000,000	20 February 2015	the prevailing benchmark RMB lending interest rate offered by the PBOC plus 20% of such rate
5 May 2014	Zhonglu (Fujian) Food Industry Co., Ltd. (中綠(福建)食品實業有限公司)	China CITIC Bank - Quanzhou branch	RMB 20,000,000	4 May 2015	the prevailing benchmark RMB lending interest rate offered by the PBOC plus 20% of such rate
18 June 2014	China Green Foods Group	Agricultural Bank of China – Xiamen Jiangtou sub-branch	RMB 45,500,000	17 December 2014	the prevailing benchmark RMB lending interest rate offered by the PBOC plus 10% of such rate
19 June 2014	China Green Foods Group	Agricultural Bank of China – Xiamen Jiangtou sub-branch	RMB 50,000,000	18 December 2014	the prevailing benchmark RMB lending interest rate offered by the PBOC plus 10% of such rate

The above loans are secured by mortgage over certain of the Group's interests in lands and buildings in Fujian province, Hebei province and Jiangxi province, the PRC.

Having taking into account the current cash position and operations of the Group, the Board is of the view that the Group has sufficient financial resources to honor the terms of all of its loan agreements, banking facilities and/or other indebtedness.

NOVATION AGREEMENT TO THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

The Board also announces that the parties to the Master Framework and Subscription Agreement and Tsinghua Redbud entered into a novation agreement (the “**Novation Agreement**”) on 20 June 2014, pursuant to which, all the rights, benefits and obligations under the Master Framework and Subscription Agreement including the Loan granted by Tsinghua Redbud (as duly authorized nominee of PKU V-Ming Investment) through the Entrusted PRC Bank were novated by PKU V-Ming Investment to Tsinghua Redbud upon the signing of the Novation Agreement. All the obligations and liabilities of PKU V-Ming Investment under the Master Framework and Subscription Agreement have been released save for any liabilities or breaches accrued prior to the execution of the Novation Agreement.

The reason for the parties and Tsinghua Redbud entered into the Novation Agreement was to streamline the relationship under the Master Framework and Subscription Agreement as the Loan was arranged by Tsinghua Redbud to China Green Foods Group.

Save for the novation by PKU V-Ming Investment to Tsinghua Redbud and consequential changes, all material terms of the Master Framework and Subscription Agreement remain unchanged. The Board considers that the entering into of the Novation Agreement does not affect the rights or obligations of the Company or any members of the Group under the Master Framework and Subscription Agreement.

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

Hong Kong, 20 June 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*