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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)

COMPLETION OF VERY SUBSTANTIAL DISPOSAL

Exclusive Financial Advisor to the Company



The Board is pleased to announce that completion of the Disposal took place on 23 March 2016 pursuant to the terms of the Amended and Restated Equity Transfer Agreement.

Reference is made to (i) the circular of the Company dated 21 August 2015 in relation to the Disposal, which constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules; and (ii) the circular of the Company dated 7 March 2016 in relation to certain amendments to the terms of the Disposal (together the “**Circulars**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circulars.

Completion of Disposal

The Board is pleased to announce that following the satisfaction or waiver (as the case may be) of all the conditions under the Amended and Restated Equity Transfer Agreement, completion of the Disposal took place on 23 March 2016. Upon Completion, the entire equity interest in the Target Company was transferred to the Purchaser, and the Target Company ceased to be an indirect wholly-owned subsidiary of the Company.

In accordance with the terms and conditions of the Amended and Restated Equity Transfer Agreement, the Purchaser paid to the Seller an amount of RMB1,561.7 million (equivalent to approximately HK\$1,952.1 million) on the Completion Date. The amount of RMB1,561.7 million was calculated as follows based on the exchange rate of US\$1.00 = RMB6.4927 (being the closing spot rate on the day immediately prior to the Completion Date for conversion of US\$ into RMB):

Enterprise value of US\$400.5 million (equivalent to approximately HK\$3,111.9 million)

Less:

First Deposit in the amount of US\$20 million;

total amount in escrow being US\$150 million;

Plus

US\$9.1 million, representing the net adjustments for Estimated Indebtedness and Estimated Net Working Capital of the Target Group as at the Completion.

Following the Disposal, the Company will move out of the beverage business into other forms of multi grain food and snack products. The Disposal does not change the Company's ambition to becoming a leading player in the multi grain non-beverage consumer field. The Company plans to diversify and expand its product range to meet market demand and will continue with its business shift towards a consumer driven business.

Supply Agreement and Transitional Services Agreement

On the Completion Date, the following agreements were entered into pursuant to the terms of the Amended and Restated Equity Transfer Agreement:

- (a) the Supply Agreement between the Company and the Target Company, pursuant to which the Remaining Group agreed to supply certain raw materials for the Target Group's use in the manufacture of beverages or their component parts subject to the purchase orders that the Target Company may issue in its discretion. The Supply Agreement is for a term of five years and shall continue in effect thereafter until terminated by either party by giving at least six months' prior written notice to the other party; and

- (b) the Transitional Services Agreement between the Seller Warrantors and the Target Company, pursuant to which the Seller Warrantors agreed to render, or cause their affiliates to render, certain transitional services for the purpose of ensuring the efficient transition of the Target Group and the operation of the Disposed Business under the ownership of the Purchaser for a term of nine months from the Completion Date.

Unless otherwise specified in this announcement, figures in US\$ and RMB are translated to HK\$ at the exchange rates of US\$1.00 = HK\$7.77 and RMB1.00 = HK\$1.25, respectively, for illustration purposes only. No representation is made that any amounts in RMB, US\$ or HK\$ could have been or could be converted at that rates or at any other rates or at all.

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

Hong Kong, 23 March 2016

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 four independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong, Mr. Zeng Shaoxiao and Ms. Yu Xiao Min.