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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)

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the unaudited financial information currently available to the management, it is anticipated that the Group will record a loss attributable to owners of the Company for the year ended 30 April 2014 as compared with the profit attributable to owners of the Company for the corresponding year in 2013.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by China Green (Holdings) Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “Board”) of directors of the Company (the “Directors”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors of the Company that, based on the unaudited financial information currently available to the management, it is anticipated that the Group will record a loss attributable to owners of the Company for the year ended 30 April 2014 as compared with the profit attributable to owners of the Company for the corresponding year in 2013.

\* for identification purposes only

The anticipated loss is mainly attributable to

- (i) the increase in revenue from the Group's branded beverage products segment partly offset by an increase in raw materials costs and labour costs, resulting in a lower increase of operational profit from the Group's branded beverage products segment;
- (ii) the decrease in revenue and expected loss from the Group's fresh produce and processed products for the year ended 30 April 2014 compared with the profit for the corresponding year in 2013. Such decline in operational performance of the Group's fresh produce and processed products is mainly due to weakened demand from Japan, one of our key markets for the Group's fresh produce and processed products, as a result of the continuous diplomatic tension between China and Japan as well as the overall appreciation of Renminbi against Japanese Yen in the past few years making exports to Japan comparatively more expensive;
- (iii) provision for impairment loss of assets related to the Group's fresh produce and processed products as a result of the deterioration of profitability of this segment as mentioned in point (ii) above;
- (iv) the increase in amortisation of prepaid rentals and corresponding expenditures of the Baicheng base in Jilin province due to the increase in the average area of the Baicheng base under lease and cultivation during the year ended 30 April 2014 compared with that in the corresponding year in 2013;
- (v) the increase in finance expenses due to the fact that the RMB1,350,000,000 US Dollar settled 3.00 per cent. convertible bonds due 2013 of the Company were in default since 12 April 2013 attracting default interest payment and additional professional fees and expenses. The convertible bonds were subsequently restructured on 13 November 2013; and
- (vi) the accounting provision for impairment loss of approximately RMB46 million due to the disposal of a subsidiary as stated in the Company's announcements dated 20 October 2013 and 23 October 2013.

As the Company is still in the process of finalising the annual results for the year ended 30 April 2014, the information contained in this announcement is only based on the preliminary assessment by the management of the Group with reference to unaudited management accounts currently available. The audit now being conducted by the auditors of the Company on the management accounts has not yet been completed and the management accounts may still be subject to adjustments. Further details of the Group's performance will be disclosed in the annual results announcement of the Company for the year ended 30 April 2014 which is scheduled to be published in late July 2014.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 10 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.*