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CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED

(FORMERLY KNOWN AS CHINA GREEN (HOLDINGS) LIMITED)

中國粗糧王飲品控股有限公司

(前稱：中國綠色食品(控股)有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 904)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 APRIL 2015

- 2014/15 is a year of continuing transformation for future growth
- Turnover from continuing operations decreased by 18.6% driven by decrease in revenue of fresh produce and processed products and branded food products and others
- Gross profit and gross profit margin increased by 94.0% and 138.2% respectively resulting from an improved product sales mix and increase in output efficiency from our own farmlands
- EBITDA increased by 29.6% impacted from increase in margin and decrease in operating expenses
- Loss from continuing operations attributable to owners decreased by 43.2%

FINANCIAL HIGHLIGHTS

(RMB'000)

	2015	2014 ^(Note) (Restated)	Change
Continuing Operations			
Turnover	521,094	640,019	(18.6%)
– Fresh produce and processed products	364,520	441,069	(17.4%)
– Branded food products and others	156,574	198,954	(21.3%)
Gross profit	94,304	48,608	+94.0%
Gross Profit Margin	18.1%	7.6%	+138.2%
Operating loss for the year from continuing operations	(448,024)	(667,666)	(32.9%)
Discontinuing Operations			
Operating profit for the year from discontinuing operations	178,475	192,967	(7.5%)
Continuing & Discontinuing Operations			
Loss for the year attributable to owners of the Company	(269,549)	(474,699)	(43.2%)
EBITDA (earnings before interest, income tax, depreciation and amortisation)	428,716	330,859	+29.6%
Basic loss per share (RMB cents)	(16.0)	(45.1)	

(Note) Branded beverages business (excluding porridge or congee and beverage products in powder form) has been classified as discontinuing operations due to the intended disposal of the business pursuant to an equity transfer agreement entered into among the Company, 中綠(泉州)食品開發有限公司 (Zhonglu (Quanzhou) Green Foods Development Co., Ltd.*), 中綠之源(廈門)貿易有限公司 (China Green Resources (Xiamen) Sales Co., Ltd.*) and 可口可樂飲料(上海)有限公司 (Coca-Cola Beverages (Shanghai) Company Limited*). For more details, please refer to note 7 to the consolidated financial statements.

RESULTS

The board (the “Board”) of directors (the “Directors”) of China Culiangwang Beverages Holdings Limited (the “Company”) formerly known as China Green (Holdings) Limited announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 April 2015 together with the comparative figures for the prior financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2015

	<i>Notes</i>	2015 RMB'000	2014 <i>RMB'000</i> (Restated)
CONTINUING OPERATIONS			
Turnover	3	521,094	640,019
Cost of sales		(426,790)	(591,411)
Gross profit		94,304	48,608
Other revenue	4(a)	14,915	9,318
Other losses	4(b)	(174,596)	(244,464)
Gain/(loss) arising from changes in fair value			
less costs to sell of biological assets		5,745	(7,952)
Net loss arising from changes in fair value			
of other financial liabilities		(13,157)	(21,849)
Selling and distribution expenses		(30,499)	(31,326)
General and administrative expenses		(181,508)	(213,761)
Loss on disposal of a subsidiary		(14,036)	(50,338)
Loss from operations		(298,832)	(511,764)
Finance costs	5(a)	(150,656)	(149,234)
Loss before taxation	5	(449,488)	(660,998)
Income tax	6	1,464	(6,668)
Loss for the year from continuing operations			
attributable to owners of the Company		(448,024)	(667,666)
DISCONTINUING OPERATIONS			
Profit for the year from discontinuing operations			
attributable to owners of the Company	7	178,475	192,967
Loss for the year		(269,549)	(474,699)

	<i>Notes</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Other comprehensive income for the year (after tax)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>1,872</u>	<u>13,908</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(267,677)</u>	<u>(460,791)</u>
Earnings/(loss) per share attributable to owners of the Company			
From continuing and discontinuing operations			
– Basic	9	<u>RMB(16.0) cents</u>	<u>RMB(45.1) cents</u>
– Diluted		<u>RMB(16.0) cents</u>	<u>RMB(45.1) cents</u>
From continuing operations			
– Basic	9	<u>RMB(26.7) cents</u>	<u>RMB(63.4) cents</u>
– Diluted		<u>RMB(26.7) cents</u>	<u>RMB(63.4) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2015

	<i>Notes</i>	2015 RMB'000	2014 <i>RMB'000</i>
Non-current assets			
Fixed assets			
– Property, plant and equipment		2,090,063	2,751,032
– Interests in leasehold land held for own use under operating leases		156,275	213,783
Long-term prepaid rentals		1,007,373	1,217,284
Available-for-sale financial assets		42,818	–
Pledged bank deposits		255,879	274,750
Deposits paid for acquisition of fixed assets		–	317,292
		3,552,408	4,774,141
Current assets			
Inventories		2,617	51,907
Biological assets		21,640	13,267
Current portion of long-term prepaid rentals		97,370	120,377
Trade and other receivables	11	76,023	176,947
Pledged bank deposits		–	114,046
Cash and cash equivalents		141,715	294,842
		339,365	771,386
Assets classified as held for sale	12	1,715,954	–
		2,055,319	771,386
Current liabilities			
Amount due to a director		–	7,995
Amount due to a shareholder		–	2,815
Trade and other payables	13	234,219	191,640
Bank and other borrowings	14	544,638	246,571
Income tax payable		26,178	25,507
Other financial liabilities		34,693	21,902
Convertible bonds		665,085	178,701
		1,504,813	675,131
Liabilities directly associate with assets classified as held for sale	12	17,937	–
		1,522,750	675,131

		2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Net current assets		532,569	96,255
Total assets less current liabilities		4,084,977	4,870,396
Non-current liabilities			
Deferred tax liabilities		78,420	86,189
Bank and other borrowings	14	517,166	532,738
Convertible bonds		–	669,628
		595,586	1,288,555
Net assets		3,489,391	3,581,841
Capital and reserves			
Share capital		179,575	106,277
Reserves		3,309,816	3,475,564
Total equity attributable to owners of the Company		3,489,391	3,581,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2015

1. BASIC OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that biological assets are measured at their fair value less costs to sell and available-for-sale financial assets derivative financial instruments are measured at fair value.

2. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 May 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis. Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

HK(IFRIC) – Int 21 Levies

HK(IFRIC) – Int 21 Levies addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The application of the above new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the certain new and revised standards, amendments or interpretations that have been issued but are not yet effective.

3. TURNOVER

During the year ended 30 April 2015, the Group is principally engaged in the growing, processing and sales of agricultural products and production and sales of consumer food products.

Turnover represents sales value of agricultural products and consumer food products supplied to customers, which is net of value-added tax and other sales taxes, less returns and discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Continuing operations		
Fresh produce and processed products	364,520	441,065
Branded food products and others	156,574	198,954
	<u>521,094</u>	<u>640,019</u>

4. OTHER REVENUE AND OTHER LOSSES

(a) Other revenue

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Continuing operations		
Interest income on financial assets not at fair value through profit or loss – interest income from banks	11,245	7,112
Other trading income	–	171
Rental income	1,166	600
Gain on redemption of convertible bonds	–	1,056
Government grant received	1,894	259
Sundry income	610	120
	<u>14,915</u>	<u>9,318</u>

(b) Other losses

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Continuing operations		
Impairment loss recognised on property, plant and equipment	38,994	150,310
Impairment loss recognised on long-term prepaid rentals	128,212	66,966
Impairment loss on interest in leasehold land held for own use under operating leases	2,715	27,188
Loss on redemption of convertible bonds	4,675	–
	<u>174,596</u>	<u>244,464</u>

5. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

Loss before taxation from continuing operations is arrived at after charging the following:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Continuing operations		
(a) Finance costs		
Interest on borrowings wholly repayable within five years		
– interest on convertible bonds	103,798	52,996
– interest on matured convertible bonds	–	77,747
– interest on notes	3,690	–
– interest on bank borrowings	43,168	18,491
	<u>150,656</u>	<u>149,234</u>
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
(b) Staff costs		
Contributions to defined contribution retirement plans	5,308	5,266
Salaries, wages and other benefits	88,278	93,902
	<u>93,586</u>	<u>99,168</u>
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
(c) Other items		
Amortisation of land lease premium	3,739	4,349
Amortisation of long-term prepaid rentals	104,777	120,397
Depreciation of property, plant and equipment	127,294	160,633
Operating lease charges: minimum lease payment		
– property rentals	597	872
Research and development expenses	533	53
Auditors' remuneration		
– audit services	1,742	2,000
– other services	700	–
Cost of inventories sold	426,790	591,411
Net foreign exchange loss	465	12,185
Loss on disposal of property, plant and equipment	25,896	21,609

6. INCOME TAX (RELATING TO CONTINUING OPERATIONS)

Continuing operations

- (a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 RMB'000	2014 RMB'000 (Restated)
Current tax – Enterprise Income Tax in the PRC		
– Provision for the year	5,616	7,415
Deferred tax		
Origination and reversal of temporary differences	(7,080)	(747)
Total income tax recognised in profit or loss	(1,464)	6,668

Note: PRC Enterprise Income Tax

The provision for PRC Enterprise Income Tax for the Company's subsidiaries in the PRC is based on PRC Enterprise Income Tax rates of 25% of the taxable income as determined in accordance with the relevant income tax rules and regulations of the PRC for both years.

According to the PRC tax law and its interpretation rules, enterprises that engage in qualifying agricultural business are eligible for certain tax benefits, including full PRC Enterprise Income Tax exemption derived from such business. The Group's principal subsidiaries which are engaged in qualifying agricultural business are entitled to exemption of PRC Enterprise Income Tax.

7. DISCONTINUING OPERATIONS

Disposal of beverage business operations

On 15 April 2015, the Company, 中綠(泉州)食品開發有限公司 (Zhonglu (Quanzhou) Green Foods Development Co., Ltd.*), 中綠之源(廈門)貿易有限公司 (China Green Resources (Xiamen) Sales Co., Ltd.*) ("Xiamen Company") and 可口可樂飲料(上海)有限公司 (Coca-Cola Beverages (Shanghai) Company Limited*) ("CCBSL") entered into an equity transfer agreement, pursuant to which CCBSL conditionally agreed to acquire, and Xiamen Company conditionally agreed to sell, the entire equity interest in 廈門粗糧王飲品科技有限公司 (Xiamen Culiangwang Beverage Technology Co., Ltd*) (the "Target Company"). Subject to adjustments as detailed in the Company's announcement dated 17 April 2015, the consideration for the disposal, which is based on the agreed enterprise value of US\$400.5 million (equivalent to approximately RMB2,483.1 million) of the Target Company, will be paid by CCBSL in cash on completion.

The disposal of the Group's beverage business operations (but excluding porridge or congee and beverage products in powder form) is consistent with the Group's long-term policy to shift focus from its activities on the cultivation and production of agricultural products and processing business towards a consumer product driven business, with multi grain focus. The Directors view the branded beverage business as the first step to implement the multi grain strategy and will continue to pursue the same strategy with an emphasis on non-beverage branded consumer products such as multi-grain food and snacks after the disposal. The Group expects to complete the disposal by the end of 2015 or early of 2016. The net proceeds of disposal are expected to exceed the carrying amount of the related assets and, accordingly, no impairment losses were recognised, neither when the operation was reclassified as held for sale nor at the end of the reporting period.

Analysis of profit for the year from discontinuing operations

The results of the discontinuing operations (i.e. beverage operations) included in the profit for the year are set out below. The comparative profit and cash flows from discontinuing operations have been re-presented to include those operations classified as discontinuing in the current year.

Profit for the year from discontinuing operations

	2015 RMB'000	2014 RMB'000 (Restated)
Revenue	1,421,750	1,453,719
Cost of sales	(881,236)	(902,223)
Gross profit	540,514	551,496
Other revenue	4,809	6,093
Selling and distribution expenses	(233,243)	(239,365)
General and administrative expenses	(35,987)	(49,421)
Profit from operations	276,093	268,803
Finance costs	(6,715)	(208)
Profit before taxation	269,378	268,595
Income tax expense	(90,903)	(75,628)
Profit for the year from discontinuing operations attributable to owners of the Company	178,475	192,967

Profit for the year from discontinuing operations include the following:

	2015 RMB'000	2014 RMB'000 (Restated)
Depreciation and amortisation	52,294	51,089
Auditors' remuneration	–	–

Cash flows from discontinuing operations

Net cash inflows from operating activities	292,916	316,628
Net cash inflows/(outflows) from investing activities	61,135	(222,995)
Net cash outflows from financing activities	(6,714)	(208)
Net cash inflows	347,337	93,425

The beverage business has been classified and accounted for at 30 April 2015 as a disposal group held for sale.

8. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 April 2015 (2014: Nil).

9. LOSS PER SHARE

From continuing and discontinuing operations

(a) Basic loss per share

On 22 September 2014, the Company issued 530,420,270 offer shares on the basis of one offer share for every two existing shares at HK\$0.25 per offer share. The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB269,549,000 (2014: approximately RMB474,699,000) and the weighted average number after open offer shares adjustment of 1,681,226,549 ordinary shares (2014: 1,053,590,905 ordinary shares) in issue during the year.

(i) Loss attributable to owners of the Company

	2015 RMB'000	2014 RMB'000 (Restated)
Loss attributable to owners of the Company used to determine diluted loss per share	<u>(269,549)</u>	<u>(474,699)</u>

	2015 Number of ordinary shares	2014
Weighted average number of ordinary shares for calculation of diluted loss per share	<u>1,681,226,549</u>	<u>1,053,590,905</u>

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2014 and 2015 was the same as the basic loss per share. There were no outstanding share options as at 30 April 2014 and 2015.

During the year ended 30 April 2015 and 2014, the computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible bonds since the effect of such conversion was anti-dilutive.

From continuing operations**Basic loss per share**

The calculation of basic loss per share from continuing operations is based on the following data:

Loss from continuing operations attributable to owners of the Company

	2015 RMB'000	2014 <i>RMB'000</i>
Loss for the year attributable to owners of the Company	(269,549)	(474,699)
Less: Profit for the year from discontinuing operations attributable to the owners of the Company	(178,475)	(192,967)
	<u>(448,024)</u>	<u>(667,666)</u>

From discontinuing operations

Basic and diluted earnings per share from the discontinuing operations is RMB10.7 cents per share (2014: RMB18.3 cents per share) based on the profit for the year from discontinuing operations of RMB178,475,000 (2014: RMB192,968,000) and the denominators detailed above for both basic and diluted earnings per share.

10. SEGMENT REPORTING

The Group manages its businesses by product types. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified the following two reportable segments in accordance with HKFRS 8 presented as follows:

- Fresh produce and processed products: this segment grows and processes and sells agricultural produce. Currently the Group's activities in this regard are carried out in the PRC.
- Branded food products and others: this segment processes and sells food products. Currently the Group's activities in this regard are carried out in the PRC.

Beverage business operations was discontinuing in the current year. The segment information reported as per following does not include any amounts for the discontinuing operation.

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the years ended 30 April 2015 and 2014 is set out below.

Continuing operations

	Fresh produce and processed products		Branded Beverage products		Branded food products and others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from external customers	364,520	441,065	–	–	156,574	198,954	521,094	640,019
Inter-segment revenue	63,856	73,587	–	–	124	–	63,980	73,587
Reportable segment revenue	428,376	514,652	–	–	156,698	198,954	585,074	713,606
Reportable segment (loss)/profit	(170,437)	(378,843)	–	–	2,760	8,632	(167,677)	(370,211)
Interest income	720	860	–	–	22	7	742	867
Depreciation and amortisation	120,269	156,850	–	–	25,187	37,268	145,456	194,118
Income tax	382	3,523	–	–	23	3,892	405	7,415
Reportable segment assets	3,116,709	1,445,262	–	3,374,930	131,910	152,760	3,248,619	4,972,952
Fair value change on biological assets	(5,746)	7,952	–	–	–	–	(5,746)	7,952
Finance cost	300	7	–	–	1,299	–	1,599	7
Impairment loss recognised on property, plant and equipment	38,994	150,310	–	–	–	–	38,994	150,310
Impairment loss recognised on interest in leasehold land held for own use under operating leases	2,715	27,188	–	–	–	–	2,715	27,188
Impairment loss recognised on long-term prepaid rentals	128,212	66,966	–	–	–	–	128,212	66,966
Additions to non-current asset during the year	118,236	1,516	–	–	63,335	22	181,571	1,538
Reportable segment liabilities	395,973	16,309	–	148,811	10,137	9,190	406,110	174,310

(b) **Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other items**

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Revenue		
Reportable segment revenue	585,074	713,606
Elimination of inter-segment revenue	(63,980)	(73,587)
Consolidated turnover for continuing operations	521,094	640,019
Profit or loss		
Reportable segment loss derived from Group's external customers	(167,677)	(370,211)
Finance costs	(149,057)	(149,227)
Finance income	10,503	6,245
Loss on disposal of a subsidiary	(14,036)	(50,338)
Other revenue	3,376	771
Unallocated depreciation and amortisation	(16,518)	(18,055)
Unallocated head office and corporate expenses	(111,404)	(81,239)
(Loss)/gain on redemption of convertible bonds	(4,675)	1,056
Consolidated loss before taxation (continuing operations)	(449,488)	(660,998)
Assets		
Reportable segment assets	3,248,619	4,972,952
Assets relating to beverage business operations (now discontinuing)	1,715,954	–
	4,964,573	4,972,952
Unallocated head office and corporate assets:		
– Fixed assets	332,692	194,371
– Bank deposit with maturity over 3 months	–	–
– Pledged bank deposit	255,879	255,296
– Cash and cash equivalents	32,150	11,799
– Other assets	22,433	111,109
Consolidated total assets	5,607,727	5,545,527

	2015 RMB'000	2014 <i>RMB'000</i> (Restated)
Liabilities		
Reportable segment liabilities	406,110	174,310
Liabilities relating to beverage business operations (now discontinuing)	17,937	–
Convertible bonds	665,085	848,329
Deferred tax liabilities	78,420	86,189
Borrowings	563,462	729,309
Unallocated head office and corporate liabilities	387,322	125,549
Consolidated total liabilities	2,118,336	1,963,686

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, long-term prepaid rentals and deposits paid for acquisition of fixed assets ("specified non-current assets"). The geographical location of customers is based on the location to which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

	Revenue from external customers		Specified non-current assets	
	2015	2014	2015	2014
	RMB'000	<i>RMB'000</i> (Restated)	RMB'000	<i>RMB'000</i> (Restated)
The PRC (place of domicile)				
– Sales to import/export companies in the PRC	4,709	14,478		
– Sales to other customers in the PRC	516,385	625,541		
	521,094	640,019	3,130,521	3,182,011

(d) Information about major customers

No major customer contributed 10% or more to the Group's revenue for the years ended 30 April 2015 and 2014.

11. TRADE AND OTHER RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)
Trade receivables	3,837	47,030
Other receivables	20,741	109,080
Loans and receivables	24,578	156,110
Rental and other deposits	667	496
Interest in leasehold land held for own use under operating leases	2,961	5,640
Prepayments		
– to suppliers	43,769	6,595
– to others	50	4,098
Value added tax recoverable	3,998	4,008
	76,023	176,947

Included in trade and other receivables are trade receivables with the following ageing analysis as of the end of the reporting period:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within 1 month	3,837	33,054
Over 1 month but within 3 months	–	13,976
	3,837	47,030

12. ASSETS CLASSIFIED AS HELD FOR SALE

The Group is seeking to dispose of its beverage business operation. The assets and liabilities of disposal group are presented as follows:

	2015 RMB'000
Property, plant and equipment	798,676
Interests in leasehold land held for own use under operating leases	50,456
Pledged bank deposits	31,750
Deposits paid for acquisition of fixed assets	317,292
Inventories	45,529
Trade and other receivables	15,269
Cash and cash equivalents	456,982
Assets of beverage business classified as held for sale	1,715,954
Trade payables	17,937
Liabilities of beverage business associated with assets classified as held for sale	17,937
Net assets of beverage business classified as held for sale	<u>1,698,017</u>

13. TRADE AND OTHER PAYABLES

	2015 RMB'000	2014 RMB'000 (Restated)
Trade payables	523	41,550
Accrued salaries and wages	8,181	8,308
Other accruals and payables	84,696	126,008
Financial liabilities measured at amortisation cost	93,400	175,866
Deposit received	123,938	–
Receipts in advance	7,228	4,802
Other taxes payable	9,653	10,972
	<u>234,219</u>	<u>191,640</u>

Included in trade and other payables are trade payables with the following ageing analysis as of the end of the reporting period:

	2015 RMB'000	2014 RMB'000
Over 1 month but within 3 months	<u>523</u>	<u>41,550</u>
14. BANK AND OTHER BORROWINGS		
	2015 RMB'000	2014 RMB'000
Bank loans	763,462	711,786
Loan from other entities	<u>298,342</u>	<u>67,523</u>
	<u>1,061,804</u>	<u>779,309</u>
Secured	763,462	711,786
Unsecured	<u>298,342</u>	<u>67,523</u>
	<u>1,061,804</u>	<u>779,309</u>
– Within one year	544,638	246,571
– More than one year, but not exceeding two years	277,166	108,296
– More than two years, but not more than five years	<u>240,000</u>	<u>424,442</u>
	<u>1,061,804</u>	<u>779,309</u>
Less: Amounts shown under current liabilities	<u>(544,638)</u>	<u>(246,571)</u>
	<u>517,166</u>	<u>532,738</u>

Notes:

- (a) The ranges of effective interest rates (which equal to contracted interest rates) on the Group's borrowings are as follows:

	2015	2014
Effective interest rate:		
Fixed-rate borrowings	5.0% to 7.3%	5% to 10%
Variable-rate borrowings	4.8% to 10.7%	7.2% to 8.65%

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

Continuing Operations

Sales Revenue

The Group's sales revenue reduced by approximately 18.6% to approximately RMB521.1 million (FY 2013/14: RMB640.0 million). The reduction in sales revenue was due to decrease in sales revenue of both fresh produce and processed products and branded food products and others.

Gross Profit and Gross Profit Margin

Gross profit for the year increased by approximately 94.0% to approximately RMB94.3 million (FY 2013/14: RMB48.6 million) and the gross profit margin has been improved from 7.6% in 2014 to 18.1% in 2015 driven by an improved product sales mix and increase in output efficiency from our own farmlands.

Gain arising from changes in fair value less costs to sell biological assets

There is a gain from changes in fair value less costs to sell biological assets of approximately RMB5.7 million as compared with a loss of approximately RMB8.0 million for the last year. Such gain is mainly due to the increase in the prices of the agricultural fresh produces during the year under review.

Operating Expenses

Total operating expenses decreased to approximately RMB212.0 million (FY2013/14: RMB245.1 million). Selling and distribution expenses were approximately RMB30.5 million (FY2013/14: RMB31.3 million), representing a decrease of 2.6%. General and administrative expenses were approximately RMB181.5 million (FY2013/14: RMB213.8 million), representing a decrease of 15.1%, mainly due to comparatively less legal and professional fees incurred in the current year.

Discontinuing Operations

Sales Revenue

The Group's sales revenue of branded beverage products reported a decrease to approximately RMB1,421.8 million (FY2013/14: RMB1,453.7 million).

Gross profit and gross profit margin

Gross profit of branded beverage products for the year is reported at approximately RMB540.5 million (FY 2013/14: RMB551.5 million) and the gross profit margin has been maintained at a steady level of 38.0%.

Operating expenses

Total operating expenses of branded beverage products decreased to approximately RMB269.2 million (FY 2013/14: RMB288.8 million). Selling and distribution expenses were approximately RMB233.2 million (FY2013/14: RMB239.4 million), representing a decrease of 2.6%. General and administrative expenses were approximately RMB36.0 million (FY2013/14: RMB49.4 million), representing a decrease of 27.1%, mainly due to comparatively less research and development cost spent as compared with prior year.

EBITDA (Earnings Before Interest, Income Tax, Depreciation and Amortisation) – Continuing and discontinuing operations

EBITDA for the year was approximately RMB428.7 million (FY2013/14: RMB330.9 million), representing an increase of 29.6% and the Group maintained EBITDA margin at an increasing and improved level.

Loss Attributable to the Owners of the Company – Continuing and discontinuing operations

For the year ended 30 April 2015, loss attributable to the owners of the Company was approximately RMB269.5 million, representing a year-on-year reduction in loss of 43.2% (FY2013/14: RMB474.7 million). This was a result of improved in gross profit margin, less impairment loss in respect of property, plant and equipment and reduction in operating expenses.

Financial Position and Capital Structure

As at 30 April 2015, the Group's total cash and cash equivalents amounted to approximately RMB141.7 million (2014: RMB294.8 million) whilst the total assets and net assets were approximately RMB5,607.7 million (2014: RMB5,545.5 million) and RMB3,489.4 million (2014: RMB3,581.8 million) respectively. The Group had current assets of RMB2,055.3 million (2014: RMB771.4 million) and current liabilities of RMB1,522.8 million (2014: RMB675.1 million). The current ratio was 1.35 times (2014: 1.14 times).

The Group's borrowings amounted to approximately RMB763.5 million (2014: RMB779.3 million) of which secured bank borrowings of approximately RMB763.5 million (2014: RMB711.8 million) and unsecured borrowings of approximately RMB298.3 million (2014: RMB67.5 million).

The Company has issued the US\$ settled 7.00% secured convertible bonds due 2016 ("7.00 per cent. Bonds") and the US\$ settled 10.00% secured convertible bonds due 2016 ("10.00 per cent. Bonds", together with 7.00 per cent. Bonds, "Convertible Bonds due 2016") with an outstanding principal amount of approximately RMB515,280,000 and RMB174,267,696 respectively as of 30 April 2015.

The Group also issued interest bearing notes with the carrying amounts of RMB298,342,000 in April 2015 (the "Notes"). The Notes bear interest of 19.2% per annum and will be matured in 6 months after issue. On 15 July 2015, the Company made an early redemption of the Notes before its maturity in full together with the accrued interest.

During the year under review, the Company has issued (i) 530,420,270 new Shares of the Company (the "Shares") under the 2014 Open Offer (as defined below); and (ii) 395,328,000 new Shares by way of Shares Subscription (as defined below).

On 22 September 2014, the Company completed an open offer of 530,420,270 Shares at the subscription price of HK\$0.25 per offer share on the basis of one offer share for every two existing Shares held on 27 August 2014 (the "2014 Open Offer"). The net

proceeds of the 2014 Open Offer, after deducting the underwriting commission and other related expenses payable by the Company, were approximately HK\$128.6 million, subsequently used as to approximately HK\$48 million for the payment of interests of the Convertible Bonds due 2016 due in October 2014 and the remaining HK\$81.6 million used as to approximately HK\$58.7 million to reduce the debt level of the Group and as to approximately HK\$21.9 million as general working capital of the Group which included operating expenses, payment of professional fees and loan interests. Details of the 2014 Open Offer were disclosed in the Company's announcements dated 29 July 2014 and 19 September 2014 and the Company's prospectus dated 28 August 2014.

On 24 October 2014, the Company issued and allotted 395,328,000 new Shares to a subscriber at a subscription price of HK\$0.25 per Share under the specific mandate granted to the Directors at the special general meeting of the Company held on 17 October 2014 (the "Shares Subscription"). The net proceeds from the Shares Subscription, after deducting the expenses payable by the Company, were approximately HK\$98 million, subsequently used as to (i) approximately HK\$30.8 million for reduction of the Group's level of debt; (ii) approximately HK\$21.7 million for general working capital of the Group which included operating expenses, payment of professional fees and loan interests; and (iii) approximately HK\$45.5 million for investment in the agriculture related business of the Group, as part of the subscription price paid by the Company for subscription of shares in Oriental Unicorn Agricultural Group Limited ("OUA"), the issued shares of which are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Details of the Shares Subscription were disclosed in the Company's joint announcement dated 13 August 2014 and the Company's circular dated 30 September 2014.

The gearing ratios of the Group, defined as the total borrowings to the shareholders' equity, amounted to 45.4% as at 30 April 2015 as compared with 37.2% as at 30 April 2014.

Capital Commitments and Contingent Liabilities

The Group has approved the expansion of existing production facilities by building new production plants.

As at 30 April 2015, the Group had contractual capital commitments of approximately RMB319.3 million (2014: RMB354.5 million).

As at 30 April 2015, the Group had not provided any form of guarantee for any companies outside the Group and had not involved in any material legal proceedings for which provision for contingent liabilities was required.

Pledge of Group's Assets

As at 30 April 2015, the bank deposits amounting to approximately RMB255.9 million (2014: RMB388.8 million) has been pledged to secure the Group's bank loans and banking facilities. In addition, certain property, plant and equipment with book value

amounting to approximately RMB469.2 million (2014: RMB443.8 million had been pledged to secure the Group's bank loans of RMB234 million (2014: RMB195.5 million) for the purpose of working capital.

Shares of some of the subsidiaries of the Company were charged in favour of the trustee for the benefit of the bondholders of the Convertible Bonds due in 2016. For further details of the Convertible Bonds due in 2016 and the said shares charges, please refer to the overseas regulatory announcement of the Company dated 14 November 2013.

Financial Risk Management

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 30 April 2015. The revenue, operating costs and bank deposits of the Group are mainly denominated in RMB and Hong Kong dollars. As such, the Group is not exposed to any material foreign currency exchange risk.

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other financial institutions authorized to buy and sell foreign currencies.

In respect of cash at banks, trade and other receivables, trade and other payables and borrowings held in a currency other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Significant Investment Held and Material Acquisitions and Disposals

On 28 October 2014, the Company entered into two subscription agreements with OUA, the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange. Pursuant to the subscription agreements, the Company has agreed to subscribe for 260,000,000 new ordinary shares of OUA ("OUA Shares") (the "First Tranche Subscription") and 83,000,000 new OUA Shares (the "Second Tranche Subscription") at the subscription price of HK\$0.175 per OUA Share. The First Tranche Subscription was completed on 10 November 2014 and the Second Tranche Subscription was completed on 11 February 2015. The aforesaid investment in OUA Shares was classified as "available-for-sale financial assets". For details, please refer to the Company's announcement dated 28 October 2014.

On 15 April 2015, the Company, 中綠(泉州)食品開發有限公司 (Zhonglu (Quanzhou) Green Foods Developing Co., Ltd.*), 中綠之源(廈門)貿易有限公司 (China Green Resources (Xiamen) Sales Co., Ltd.*) ("Xiamen Company"), each of which an indirect wholly-owned subsidiary of the Company, and 可口可樂飲料(上海)有限公司 (Coca-Cola Beverages (Shanghai) Company Limited*) ("CCBSL") entered into an equity transfer agreement ("Equity Transfer Agreement") pursuant to which CCBSL has

conditionally agreed to acquire, and the Xiamen Company has conditionally agreed to sell (“Disposal”), the entire equity interest in 廈門粗糧王飲品科技有限公司 (Xiamen Culiangwang Beverage Technology Co., Ltd.*) (the “Target Company”), a limited liability company incorporated in the PRC and wholly-owned by the Xiamen Company, at a consideration on the agreed enterprise value of US\$400.5 million (subject to adjustments). The Disposal constituted a very substantial disposal of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and is subject to shareholders’ approval at a special general meeting of the Company to be convened for considering and approving, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder.

For the purposes of the Disposal, among other parties, the parties to the Equity Transfer Agreement and the Target Company have entered into a restructuring agreement on the same date as the Equity Transfer Agreement to carry out a series of restructuring steps intended to consolidate the business of the manufacturing, marketing and sale of beverage products (but excluding porridge or congee and beverage products in powder form). As at the date of this announcement, the Disposal has not yet completed. Further details of each of the Equity Transfer Agreement and the restructuring agreement are disclosed in the announcement of the Company dated 17 April 2015.

Saved as disclosed above, the Group made no other significant investments, material acquisitions or disposals during the year ended 30 April 2015.

Staff and Remuneration Policy

To keep pace with the growth of the Group in the future, the Group is recruiting qualified staff in capable caliber from time to time. For the year ended 30 April 2015, the number of staff and the staff remuneration of the Group were 2,380 (2014: 2,713) and approximately RMB93.6 million (2014: RMB99.2 million) respectively.

The Group’s remuneration policy is reviewed periodically and remuneration is determined by reference to market trend, company results, individual qualifications and performance. Other benefits offered by the Group included statutory provident funds, year-ended bonuses, and share option to be granted to selected employees on the basis of their individual performance.

The Company adopted a share option scheme on 18 October 2013 and no options has been granted or exercised during the year.

REVIEW OF OPERATIONS

CONTINUING OPERATIONS

During the year under review, the Group was principally engaged in two business segments, namely, fresh produce and processed products and branded food products and others and the breakdown of the revenue are as follows:

	Year ended 30 April	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
		(Restated)
Revenue By Products		
Fresh produce and processed products	364,520	441,065
Branded food products and others	156,574	198,954
Total	521,094	640,019

Fresh produce and processed products

The sales of fresh produce and processed products consisted of primarily fresh vegetables such as sweet corns, lotus roots, radish, cucumber and water melons as well as canned and frozen products. The decrease in sales of this segment is mainly due to reduction in some farmlands in use in the year under review.

Branded food products and others

The sales of branded food products and others mainly include rice and hotpot products sold under Group's own brand. Revenue from this segment decreased from approximately RMB199.0 million to approximately RMB156.6 million, mainly due to the less focus on hotpot products in the market during the period under review.

DISCONTINUING OPERATIONS

Branded beverage products

The Group is currently selling over 28 different types of beverage products under its own brand “Culiangwang”. Most are multi-grain focused and are tailored for the increasing health conscious demand of the domestic market.

	Year ended 30 April	
	2015	2014
	RMB'000	RMB'000
		(Restated)
Revenue By Branded Beverage Products		
Culiangwang Walnuts	475,897	486,294
Culiangwang Green Bean Matcha	469,568	448,726
Culiangwang Red Bean	326,995	290,884
Culiangwang Mellow Peanut	61,912	34,996
Culiangwang Black Sesame	25,700	798
Others	61,678	192,021
Total	<u>1,421,750</u>	<u>1,453,719</u>

During the year, the Group continued its great effort to maintain the distribution network in selling the branded beverage products in 27 provinces and 4 cities in China.

	Year ended 30 April	
	2015	2014
	RMB'000	RMB'000
		(Restated)
Revenue By Sales Locations		
Jiangsu Province	320,191	272,662
Anhui Province	169,333	194,082
Sichuan Province	162,861	128,001
Guizhou Province	98,847	77,187
Jiangxi Province	92,713	98,506
Others	577,805	683,281
Total	<u>1,421,750</u>	<u>1,453,719</u>

Amongst the 5 highest selling branded beverage products, representing approximately 95.7% of the total beverages sales revenue.

Out of the cost of sales, the packaging materials and raw materials represent 80% of the total costs. The Group sourced the raw materials mostly externally in the year under review and only approximately 1.1% (2014: 4.5%) of the multi-grain materials sourced from own farmlands.

The Group engaged various OEM producers in the market to produce the beverage products representing approximately 55.0% (2014: 60.0%) of the production volume of the Group.

	Year ended 30 April	
	2015	2014
	RMB'000	RMB'000
		(Restated)
By cost of sales		
Packaging materials	306,825	307,746
Raw materials	393,399	412,260
Depreciation	49,595	48,172
Direct labour costs	11,447	11,249
Fuel costs	12,204	12,422
Processing fee to third party OEM producers	95,555	100,614
Others	12,211	9,760
Total	881,236	902,223

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 30 June 2014, the shareholders of the Company have approved to change the name of the Company from “China Green (Holdings) Limited” to “China Culiangwang Beverages Holdings Limited” and to adopt “中國粗糧王飲品控股有限公司” as the secondary name of the Company in replacement of the former Chinese name “中國綠色食品(控股)有限公司”, which was adopted for identification purpose only. With the approval of the Registrar of Companies in Bermuda, the name change of the Company became effective on 1 July 2014.

INCREASE IN AUTHORISED SHARE CAPITAL

On 30 June 2014, the Company passed an ordinary resolution to increase its authorised share capital from HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each to HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each by the creation of an additional 1,000,000,000 unissued Shares and such Shares shall rank pari passu with all existing Shares of the Company upon issue.

SUBSEQUENT EVENTS

Increase in Authorised Share Capital

On 2 June 2015, the Company passed an ordinary resolution to increase its authorised share capital from HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each to HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each by the creation of an additional 7,000,000,000 unissued Shares and such Shares shall rank pari passu with all existing Shares upon issue.

Open Offer at HK\$0.20 per offer share on the basis of 2 offer shares for every one Share held on 12 June 2015

On 8 July 2015, the Company completed an open offer of 3,974,283,592 Shares at the subscription price of HK\$0.20 per offer share on the basis of two offer shares for every one Shares held on 12 June 2015 (the “2015 Open Offer”). The net proceeds of the 2015 Open Offer, after deducting the underwriting commission and other related expenses payable by the Company, were approximately HK\$772.9 million, which is intended to be used as to approximately HK\$400 million for the repayment in full of the Notes, further details of which are disclosed in the announcements of the Company dated 25 March 2015 and 8 April 2015. The remaining of approximately HK\$372.9 million will be used as to (i) approximately HK\$200 million to reduce other indebtedness of the Group, such as interest payment on the 7.00 per cent. Bonds and the 10.00 per cent. Bonds and the partial redemption of the 10.00 per cent. Bonds which will fall due in October 2015 in the aggregate amount of approximately HK\$176 million, and certain outstanding short term onshore loans in the aggregate amount of approximately RMB68 million which will fall due between August and December 2015; (ii) approximately HK\$100 million to strengthen and develop the fresh produce and processed products and branded food products related businesses of the Group; (iii) approximately HK\$24 million for the payment of professional fees and initial costs estimated for restructuring of the Group’s business in preparation of the Disposal; and (iv) approximately HK\$48.9 million as general working capital and operating expenses of the Group.

As at the date of this announcement, except as to approximately HK\$400 million has been used for the repayment of the Notes in full together with the accrued interest on 15 July 2015, and approximately HK\$166.4 million has been used for the repayment of loan, the remaining net proceeds remained unutilized.

Details of the 2015 Open Offer were disclosed in the Company’s announcements dated 17 April 2015 and 7 July 2015, the Company’s circular dated 15 May 2015, and the Company’s prospectus dated 15 June 2015.

Termination Agreement in relation to the Master Framework and Subscription Agreement

On 7 July 2015, the contractual parties to the master framework and subscription agreement dated 4 September 2013 made between, amongst other parties, the Company and Partner Shanghai Limited in relation to, amongst other matters, the subscription of 226,553,576 Shares (as varied and amended by a novation agreement dated 20 June 2014 and made by the same parties and 紫荆控股有限公司 (Tsinghua Redbud Holding Ltd. *)) (the “Master Framework and Subscription Agreement”) entered into a termination agreement, pursuant to which the parties had conditionally agreed to terminate the Master Framework and Subscription Agreement.

Pursuant to the termination agreement, the Company shall pay (i) on or before 31 July 2015 an aggregate sum of the HKD equivalent of RMB100,000,000 and all outstanding interests accrued as at the date of first repayment (“First Repayment”); and (ii) on or before the maturity date of the loan the remaining outstanding principal and interest under the loan (less the amount of the First Repayment).

The termination of the Master Framework and Subscription Agreement shall be effective on the date on which evidence of the repayment of all sums due under the funding arrangements is provided.

Details of the termination agreement were disclosed in the Company’s announcement dated 7 July 2015.

OUTLOOK

It is our determination to continue to grow the Group’s profitability and build shareholders’ value in the long term. The outlook for the global macro-economic growth remains mixed. In the coming year, we will expect a stable economic growth in China with continuous structural adjustments in the industry and a moderate GDP growth rate. Upon implementing economic structural adjustment gradually, we believe that there will be a steady growth in the food market.

Following the completion of the Disposal, we will further expect the in-depth development in the multi grain related business for the coming year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 April 2015 (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period under review, the Company made a mandatory redemption on the 10.00 per cent. Bonds, which are listed on the Singapore Exchange Securities Trading Limited, in the aggregate principal amount of RMB220,655,778 in accordance with the terms and conditions of the 10.00 per cent. Bonds.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 April 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code for the year ended 30 April 2015.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. During the year ended 30 April 2015, the Company was in compliance with all relevant code provisions set out in the CG Code except for the deviations as explained below.

Code provision A.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. As it took time for the Company to identify appropriate insurance cover in respect of legal action against its Directors, the Company has yet to arrange appropriate insurance cover in respect of legal action against its Directors for the year ended 30 April 2015. The Company subsequently arranged appropriate insurance cover in respect of legal action against its Directors and senior officers on 15 June 2015 (covering the period from 15 June 2015 to 14 June 2016).

Code provision A.2.1 of the CG Code provides that the responsibilities between the chairman and chief executive officer should be divided. Mr. Sun Shao Feng, the chairman of the Company (the "Chairman"), currently performs the Chief Executive Officer (the "CEO") role. The Board believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term and subject to re-election. Mr. Hu Ji Rong ("Mr. Hu"), an independent non-executive Director and Mr. Zheng Baodong ("Mr. Zheng"), a former independent non-executive Director resigned on 18 August 2014, are not appointed for a specific term, but are subject to retirement from office by rotation in accordance with the bye-laws of the Company.

Code provision A.6.7 of the CG Code provides that non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Wei Xiongwen and Mr. Hu, independent non-executive Directors, and Mr. Zheng did not attend two special general meetings of the Company both held on 30 June 2014 due to dealing with their own official engagement. In addition, Mr. Wei Xiongwen, Mr. Hu and Mr. Zeng Shaoxiao, the independent non-executive Directors, did not attend the annual general meeting (“2014 AGM”) and the special general meeting of the Company both held on 17 October 2014 due to dealing with their own official engagement.

Code provision C.1.2 of the CG Code provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management keeps providing information and updates to the members of the Board as and when appropriate.

Code provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. Mr. Hu Ji Rong, the chairman of each of the audit committee (the “Audit Committee”), remuneration committee and corporate governance committee of the Company, and Mr. Zeng Shaoxiao, the chairman of the nomination committee of the Company, did not attend the 2014 AGM due to the reason stated above.

Save as the aforesaid and in the opinion of the Directors, the Company has met all the code provisions set out in the CG Code during the year ended 30 April 2015.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Hu Ji Rong (as Chairman), Mr. Wei Xiongwen and Mr. Zeng Shaoxiao.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group’s interim and annual financial statements.

The Group’s annual results for the year ended 30 April 2015 have been reviewed by the Audit Committee.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Company's annual report for the year ended 30 April 2015 will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.chinaclw.com.hk in due course.

APPRECIATION

The Board would like to thank the shareholders, business partners and customers for their continued support and trust, and would like to take this golden opportunity to express our heartfelt gratitude towards the management team and staff for the loyalty, efforts and contributions over the past year.

On behalf of the Board

Sun Shao Feng

Chairman

Hong Kong, 28 July 2015

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.

** for identification purpose only*