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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)

CLARIFICATION ANNOUNCEMENT

This announcement is made under Rule 13.09 of the Listing Rules at the request of the Stock Exchange following certain articles appeared in the press on 10 March 2007 and 12 March 2007 regarding financial information of the Group.

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

This announcement is made pursuant to Rule 13.09 of the Rules Government the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The board of directors (“Board”) of China Green (Holdings) Limited (the “Company”) wishes to clarify certain articles that appeared in the press (“Articles”) on 10 March 2007 and 12 March 2007 regarding certain financial information of the Company and its subsidiaries (the “Group”).

The Board announces that:–

- (1) The executive Director has indicated to media that the first six months of each year operations usually constitute approximately 40% of the total results for the whole year. For the year ending 30 April 2007, as the result for the first six months operations sustained with a growth of approximately 48% in turnover, and therefore the Company expects that the interim results will constitute slightly above 40% of the total results for current year. Save as aforesaid, the Company did not make any statement about any figures on the growth rate in net profit and the Company does not know the source of the information of the 20% net profit growth to RMB330 million for the year ending 30 April 2007 as stated in the relevant Articles;
- (2) The Company carried out intensive marketing and promotional activities in the past year and in view of the forthcoming promotional activities, the Company hopes to achieve about 30% growth in revenue from the year ending 30 April 2007 to the year ending 30 April 2008, followed by about 25% growth in the following year; and

- (3) The executive Director only indicated (i) there exist potential for setting up joint ventures for the purpose of establishing logistic centers; and (ii) the cost of establishment of a small scale logistic center will be approximately RMB300 million. No detailed terms has been agreed or finalised in respect of any proposed joint ventures plan for logistic center. The Board is not aware of any negotiations or agreements relating to the intended acquisitions which are discloseable under Rule 13.23 of the Listing Rules, nor is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made by the order of the Board, of which the Directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

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

As at the date of this announcement, the Board comprises Mr. Sun Shao Feng, Mr. Kung Sze Wai and Mr. Leung Kwok Fai Ben Rich as executive Directors, and Mr. Lin Chuan Bi, Mr. Hu Ji Rong and Mr. Zheng Baodong as independent non-executive Directors.

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

Hong Kong, 12 March 2007

* *for identification only*

Please also refer to the published version of this announcement in The Standard.