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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2007

RESULTS

The board (the "Board") of directors (the "Directors") of China Green (Holdings) Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2007 together with the comparative figures for the corresponding year of 2006 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2007

	Note	2007 RMB'000	2006 RMB'000
Turnover	2	**954,149**	686,602
Cost of sales		**(456,223)**	(332,186)
Gross profit		**497,926**	354,416
Other revenues	3	**15,498**	8,623
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets		**15,173**	15,166
Selling and distribution expenses		**(92,896)**	(64,883)
General and administrative expenses		**(75,557)**	(45,351)
Profit from operations		**360,144**	267,971
Finance cost		**(14,394)**	(5,705)
Profit before taxation	5	**345,750**	262,266
Income tax	6	**245**	9,009
Profit for the year		**345,995**	271,275
Dividends payable to equity shareholders of the Company attributable to the year:	7		
Interim dividend declared during the year		**38,767**	28,474
Final dividend proposed after the balance sheet date		**52,516**	46,699
		91,283	75,173
Earnings per share – Basic	8(a)	**RMB44.8 cents**	RMB37.3 cents
Earnings per share – Diluted	8(b)	**RMB41.7 cents**	RMB36.4 cents

* *For identification purposes only*

CONSOLIDATED BALANCE SHEET
AT 30 APRIL 2007

	Note	2007 *RMB'000*	2006 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**475,477**	400,928
Interests in leasehold land held for own use under operating leases		**82,965**	67,836
Long-term prepaid rentals		**93,806**	65,062
		652,248	533,826
Current assets			
Inventories		**14,320**	7,689
Biological assets		**39,337**	36,152
Short-term prepaid rentals		**–**	397
Current portion of long-term prepaid rentals		**33,941**	27,042
Trade and other receivables	*9*	**50,600**	60,423
Cash and cash equivalents		**1,050,537**	852,898
		1,188,735	984,601
LIABILITIES			
Current liabilities			
Due to a director		**819**	–
Trade and other payables	*10*	**22,427**	16,170
Tax payable		**67,596**	67,325
		90,842	83,495
Net current assets		**1,097,893**	901,106
Total assets less current liabilities		**1,750,141**	1,434,932
Non current liabilities			
Convertible bonds		**64,605**	301,786
Deferred tax liabilities		**–**	516
		64,605	302,302
NET ASSETS		**1,685,536**	1,132,630
CAPITAL AND RESERVES			
Share capital		**88,921**	77,507
Reserves		**1,596,615**	1,055,123
		1,685,536	1,132,630

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company.

The adoption of these new and revised HKFRSs did not result in significant change to the Group's accounting policies applied on these financial statements for the years presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 April 2007 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the biological assets are stated at their fair value.

The functional currencies of the Company and its subsidiaries in the People's Republic of China (the "PRC") are Hong Kong dollars ("HK$") and Renminbi ("RMB") respectively. For the purposes of presenting the consolidated financial statements, the Group adopted Renminbi as its presentation currency.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. TURNOVER

The Group is principally engaged in the growing and sales of agricultural products.

Turnover represents sales value of agricultural products supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2007	2006
	RMB'000	*RMB'000*
Sales of agricultural products		
Fresh produce	**327,985**	297,622
Processed products	**183,031**	124,797
Pickled products	**135,314**	83,102
Rice products	**86,335**	81,005
Rice flour products	**88,401**	30,041
Beverage products	**114,598**	70,035
Instant noodles	**18,485**	–
	954,149	686,602

3. OTHER REVENUE

	2007	2006
	RMB'000	*RMB'000*
Interest income from banks	**14,837**	6,357
Handling income	**573**	1,512
Government grants	**–**	741
Sundry income	**88**	13
	15,498	8,623

4. SEGMENTAL REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segments

During the year under review, the Group principally operates a single business segment which is growing and sales of agricultural products. Accordingly, no business segment information is presented.

(b) Geographical segments

The Group's operations are principally located in Hong Kong and the PRC. The Group's administrative function is carried out in Hong Kong and the PRC, and the operating activities are carried out mainly in the PRC.

An analysis of the Group's turnover and gross profit by geographical location of customers for the year is as follows:

	2007	2006
	RMB'000	*RMB'000*
Turnover		
Japan	**300,513**	278,047
PRC	**508,417**	328,667
Other Asian countries	**48,421**	37,753
Europe	**91,121**	38,806
Australia	**4,548**	3,329
Africa	**1,129**	–
	954,149	686,602
Gross profit		
Japan	**173,233**	164,335
PRC	**242,663**	145,229
Other Asian countries	**27,539**	20,939
Europe	**51,051**	22,017
Australia	**2,791**	1,896
Africa	**649**	–
	497,926	354,416

Over 99% of the Group's assets are principally located in the PRC. Accordingly, no geographical analysis of segment assets and capital expanditure is presented.

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging/(crediting) the following:

		2007	2006
		RMB'000	*RMB'000*
(a)	**Finance costs**		
	Interest on convertible bonds	**14,394**	5,705
(b)	**Staff costs**		
	Contributions to defined contribution retirement plans	**429**	172
	Equity-settled share-based payment expenses	**26,660**	5,682
	Salaries, wages and other benefits	**96,694**	78,782
		123,783	84,636
(c)	**Other items**		
	Amortisation of land lease premium	**1,451**	1,555
	Amortisation of long-term prepaid rentals	**29,382**	27,643
	Depreciation of property, plant and equipment	**39,622**	23,921
	Operating lease charges		
	– hire of plant and machinery	**–**	33
	– hire of other assets (including property rentals)	**1,849**	1,946
	Research and development expenses	**21,070**	5,010
	Auditors' remuneration – audit services	**820**	779
	Loss on operating on cultivation base	**–**	1,376
	Loss on disposal of property, plant and equipment	**246**	382
	Net foreign exchange (gain)/loss	**(8,280)**	2,371
	Impairment loss for bad and doubtful debts	**–**	71

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

	2007	2006
	RMB'000	*RMB'000*
Current tax – PRC Enterprise Income Tax		
Provision for the year	**11,345**	–
Over-provision in respect of prior years	**(11,074)**	(5,752)
Deferred tax		
Origination and reversal of temporary differences	**(516)**	(3,257)
	(245)	(9,009)

(a) Hong Kong Profits Tax

No Hong Kong Profits Tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong (2006: Nil).

(b) PRC Enterprises Income Tax ("EIT")

Zhonglu (Fujan) Agriculture Comprehensive Development Company Limited ("Zhonglu"), the principal wholly owned subsidiary, is subject to PRC Enterprise Income Tax at a rate of 24%. However, in September 2005, Zhonglu was awarded as "State-Level Industrialized Agricultural Leading Enterprise" of the nation by the central government of the PRC. According to the circular Nong Jing Fa [2005] No.5, domestic PRC State-Level Industrialized Agricultural Leading Enterprises are entitled to certain tax benefits including full exemption of PRC Enterprise Income Tax. Taxation for other PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the PRC. During the year, certain PRC subsidiaries are subject to tax at 50% of the standard tax rates or fully exempt from PRC Enterprise Income Tax under the relevant tax rules and regulations.

7. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2007	2006
	RMB'000	*RMB'000*
Interim dividend declared and paid to HK$0.048 (equivalent to approximately RMB0.047) per ordinary share (2006: HK$0.038 (equivalent to approximately RMB0.04) per ordinary share)	**38,767**	28,474
Final dividend of HK$0.063 (equivalent to approximately RMB0.062) per ordinary share (2006: HK$0.062 (equivalent to approximately RMB0.064) per ordinary share) proposed after the balance sheet date	**52,516**	46,699
	91,283	75,173

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2007	2006
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.062 (2006: HK$0.038) per ordinary share	**44,934**	29,028

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB345,995,000 (2006: 271,275,000) and the weighted average of 772,512,015 ordinary shares (2006: 728,093,349 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2007	2006
Issued ordinary shares at 1 May	**731,266,478**	727,500,000
Effect of issuance of shares under conversion of convertible bonds exercised	**34,440,058**	593,349
Effect of issuance of shares under share option scheme	**6,805,479**	–
Weighted average number of ordinary shares at 30 April	**772,512,015**	728,093,349

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB360,389,000 (2006: RMB276,980,000) and the weighted average number of ordinary shares of 864,790,674 shares (2006: 760,838,394 shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2007 *RMB'000*	2006 *RMB'000*
Profit attributable to ordinary equity shareholders	**345,995**	271,275
After tax effect of effective interest on liability component of convertible bonds	**14,394**	5,705
Profit attributable to ordinary equity shareholders (diluted)	**360,389**	276,980

(ii) Weighted average number of ordinary shares (diluted)

	2007	2006
Weighted average number of ordinary shares at 30 April	**772,512,015**	728,093,349
Effect of conversion of convertible bonds	**84,204,006**	30,879,963
Effect of deemed issue of shares under the Company's share option scheme	**8,074,653**	1,865,082
Weighted average number of ordinary shares at 30 April (diluted)	**864,790,674**	760,838,394

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors with the following ageing analysis as of the balance sheet date:

	2007	2006
	RMB'000	*RMB'000*
Within 1 month	**11,393**	20,561
Over 1 month but within 3 months	**–**	929
Over 3 months but within 6 months	**–**	401
Over 6 months but within 1 year	**–**	714
	11,393	22,605

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2007	2006
	RMB'000	*RMB'000*
Within 1 month	**1,144**	1,096
Over 1 month but less than 3 months	**89**	–
Over 3 months but less than 6 months	**3**	–
	1,236	1,096

11. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

With rapid economic growth in the PRC, the supply of high-quality, healthy and safe food has become a daily necessity. In 2006, the PRC government continued to demonstrate its support for the development of agriculture by providing financial assistance, tax benefits, governmental allowance and farmland protection as well as by setting price floors for grain purchasing. According to data released in 2006 by the Ministry of Agriculture of the PRC, the PRC government increased its aggregate investment in agriculture-related industries by RMB42 billion, or an increase of 14% compared to 2005. The No. 1 Document of the Central Government issued by the State Council in early 2007 further mentioned that modernization of agriculture was the primary task on the agenda of constructing new rural socialist communities. The government's policy support for agriculture has encouraged the development and expansion of agricultural enterprises.

In 2006 and the first half of 2007, China's agricultural exports to the United States, Russia and Germany experienced rapid growth. We have been actively exploring markets in these countries given their significant potential in recent years.

In 2006, with sales of social consumer goods increased by 14% to RMB7,641 billion, exceeding the nation's growth rate of 11%, and demonstrating that consumption has started to drive the PRC's economic growth. We have benefited from this favorable environment as our domestic sales growth has showed.

Business Review

Consumers around the world are becoming increasingly health-conscious, and as a result, global demand for green food has been increasing worldwide. Especially in China where consumption is improving rapidly as a result of growing affluence and the level of urbanization has also been expanding, consumer demand for green food continues to grow.

Within this favourable environment, and leveraging the leadership and clear vision of the Group's experienced management team, China Green recorded satisfactory growth in the volume and scope of its business. With the backing of its internationally standardized cultivation base, management and all-altitude coverage, the Group has successfully captured many opportunities arising from the rising demand and achieved broad and stable growth in the business. During the year under review, the Group recorded growth rates of 39% and 28% in its turnover and profit attributable to shareholders respectively.

Segment Review

The rising concern for food safety and health provides a great opportunity for companies that are capable of producing high-quality products. During the year under review, Japan implemented an "Approved List Policy" (肯定列表制度) for imported food products, which is a new system that is intended to intensify the control of the chemical residues in food products. The system requires that the chemical content in some specific agricultural food products shall not exceed a maximum limit of residue. For other agricultural food products that have not faced specific residue limits, the chemical in food products shall not exceed the amount stated in the "General Standards", i.e. 0.01 milligram per kilogram. The policy was implemented on 29 May 2006. It has indirectly affected manufacturers with poor quality products, but has provided a great opportunity for China Green's high quality products.

Fresh produce

During the year under review, turnover from the sale of fresh produce totalled RMB328 million, accounting for approximately 34% of the Group's revenue. Among fresh produce, the highest sales were recorded from naganegi, broccoli and radish which totalled approximately RMB89 million, representing approximately 27% of turnover of fresh produce.

Processed products

The Group's processed products includes water boiled products, quick frozen products, pickled products and canned products. During the year, turnover from the sale of processed products totalled RMB318 million, accounting for approximately 33% of the Group's total revenues.

There has been stable growth in water boiled products, which accounted for approximately 44% of the total revenues from processed products. Water boiled radish was the leading product in the category, with turnover totalling RMB55 million. Quick frozen products and canned products recorded satisfactory growth and were recognised as the other growth drivers in processed products. Turnover of quick frozen products and canned products were approximately RMB44 million and RMB65 million respectively, accounting for approximately 22% and 20% of the total revenues from processed products.

Branded food and beverage products

The Group's branded food and beverage products include beverage products, instant noodles, rice products and rice flour products. During the year, turnover from the sales of branded food and beverage products totalled RMB308 million. The contribution from the sales of these products to the Group's income increased from 26% last year to about 32% this year.

The Group implemented an integrated sales strategy to promote beverage products in some key regions. During the year under review, the Group's turnover from beverage products totalled approximately RMB115 million, representing a significant growth of approximately RMB70 million over the previous year. Within the category, corn milk was the leading product, with turnover totalling approximately RMB92 million.

In addition, non-fried instant noodles, a new product launched by the Group during the year under review, received positive market response. Turnover from non-fried instant noodles totalled approximately RMB18 million.

During the year under review, turnover from rice products and rice flour products totalled approximately RMB86 million and RMB88 million respectively, accounting for approximately 28% and 29% of the total revenues from branded food and beverage products.

Gross profit and gross profit margin

During the year under review, the Group's overall gross profit margin was 52%.

The gross profit margin for the sales of fresh produce and processed products was 54% and 55%, respectively, which was similar to last year.

The gross profit margin from branded food and beverage products was 47%. The reason for the increase was because the revenue contribution from the lowest margin rice products was lower than the previous year. For the new product, non-fried instant noodles, the gross profit margin was 40%.

Cultivation bases and processing plants

During the period under review, the Group newly leased a total area of approximately 14,000 mu of cultivation bases in Tianmen of Hubei province, Fengxin of Jiangxi province and Wanquan of Hebei province. The Group is further utilizing its diverse production bases with varying climates and conditions to ensure the stable supply of fresh produce during the year. Moreover, the Group decides to convert its cultivation base located in Tianmen, Hubei Province to an organic cultivation base. The Group plans to adopt modern management practices and combine them with contemporary ecological principles, and environmental and scientific technological measures in order to integrate with the Group's modern cultivation methods. After converting the 20,000 mu cultivation base, the Group will be able to produce about 70,000 tons of organic agricultural products each year.

Currently, the Group owns 36 all-altitude cultivation bases with a total area of 66,100 mu, which are able to produce about 273,200 tons of crops each year. The Group currently owns 10 processing plants with an annual processing capacity of around 440,900 tons. Such a large production capacity can meet the demand for exports, as well as provide strong support to the Group's branded food and beverage products.

Except for Fujian province, the Group's cultivation bases and processing plants are mainly located in the three provinces of Hubei, Hebei and Jiangxi, which facilitate nationwide distribution of produce with lower transportation costs and enable the Group to gain control over the entire supply chain of green food.

Development of new products

To capture demand in the rapidly growing consumer market, the Group will strive to develop new products and continue to enrich its existing products portfolio. During the year under review, the Group formulated a clear development strategy for instant green food and successfully launched non-fried instant noodles. Non-fried instant noodles received positive market response, and it is expected that future sales growth will be significant.

In light of market diversification, the Group conducted various research and development projects, demonstrating the Group's commitment to research and development. The Group's research and development center focuses on developing new cultivation methods and new products with market potential. It aims to launch 3 to 5 new product series on average each year, so as to improve the gross profit margin and competitive advantages of the Group. Currently, there is a collaboration relationship with Nanjing Agricultural University, Fujian Agriculture and Forestry University, Jimei University and Nanchang University, so as to continuously enhance the research and development capabilities of the Group.

Brand management

The Group has successively engaged some professional consultancy companies to formulate strategies for marketing and overall image, which has resulted in significant improvement in the Group's overall image and the position of some of its products.

The Group successfully integrated its existing brands as members of the China Green family. In the meantime, in an effort to enhance marketing in the Fujian and Jiangxi regions, the Group also placed significant emphasis on brand promotion, and conducted a series of promotional activities, using advertisements through various channels such as buses, billboards and television. In terms of brand building, the Group successfully executed its gradual market development strategy by making breakthroughs in various provinces, one at a time. The Group started to promote its "China Green" brand in the Jiangxi and Fujian regions, and then spread its efforts to other regions in Southern China.

Quality maintenance

During the year under review, the Group continued to implement its international quality and sanitary standards. With strict quality control, from planting to processing, the Group obtained Safe Corp Certificate, Green Food Certificate, and certifications under ISO90001: 2000, ISO: 9002: 1994 and HACCP. Furthermore, Zhonglu (Fujian) Agriculture Comprehensive Development Company Limited, which is located in Huian, Fujian Province, maintained its status as a "State-Level Leading Agricultural Enterprises".

Corporate governance

The Group acknowledges its responsibilities to shareholders and investors, and has strictly complied with the requirements of relevant laws, regulations and rules of relevant securities regulatory authorities since the listing of the Company's shares in January 2004. The Group is committed to enhance the transparency of its corporate governance and disclosure. The Board adheres to corporate governance principles, and continues to improve corporate management, and enhance its standard of corporate governance, so as to safeguard and expand shareholder value.

Treasury Policy

As of 30 April 2007, the Group had cash and cash equivalents of approximately RMB1,050 million. The Group deposited funds in banks in the PRC and licensed banks in Hong Kong.

Capital Commitments and Contingencies

During the year, the Group was committed to the expansion of existing facilities to enhance its production capacity. As of year end 2006, the Group has contractual capital commitments of approximately RMB25 million. As of 30 April 2007, the Group had not provided any form of guarantee for any company outside the Group and has not been involved in any material legal proceedings for which provision for contingent liabilities was required.

Exposure to Fluctuation in Exchange Rates

For the year ended 30 April 2007, the Group conducted its business transactions principally in US dollars and Renminbi. The Group has not experienced any material difficulties or negative impact on its operations as a result of fluctuations in currency exchanges rates. The Directors considered that no hedging of exchange rate risk is required. Nevertheless, the management will continue to monitor the foreign exchange exposure and will take prudent measures when needed. After reasonable and cautious assessment, the Directors consider the appreciation of the Renminbi during the period under review as insignificant on the Group's export business.

Significant Investments and Acquisitions

During the year under review, the Group made no significant investments, nor had it made any material acquisition or disposal of subsidiaries.

Charge on Assets

As at 30 April 2007, the Group had not pledged any assets to its bankers to secure banking facilities granted to the Group.

Staff and Remuneration Policies

As at 30 April 2007, the Group had a total of over 7,000 employees, of which approximately 3,700 are workers at the Group's cultivation bases. The aggregate staff costs and Directors' remuneration for the year ended 30 April 2007 totaled approximately RMB124 million (2006: approximately RMB85 million). Employees are paid at a competitive level, taking into account individual performance and experience. Other benefits include mandatory provident funds and year-end bonus based on individual performance.

Capital Structure

During the year under review, the Company issued 94,161,959 ordinary shares due to the conversion of bonds with a total principal amount of HK$250 million at a conversion price of HK$2.655 per share.

During the year, share options were exercised at an exercise price of HK$2.05 per share to subscribe for 21,600,000 ordinary shares in the Company.

Future Development Strategies

The Group is confident about the market development of green food. As global consumers are becoming increasingly health-conscious and are heading for healthier and balanced diets, the Group believes that the demand for green food will remain high, and it will bring vast opportunities for the Group.

On the other hand, as commodity prices keep rising in the PRC, coupled with various low quality fake products appearing in the market, consumers in the PRC started to pay more attention to brand reputation than before. In view of this, the Group will adhere to its strategy of producing products of the highest quality and establishing a recognized brand.

Looking forward, the Group will attempt to maintain its competitive advantages and take advantage of emerging opportunities, so as to sustain growth for years to come. The Group will develop with the following goals in mind:

The Paragon of Standardized Plantation of Green Food in the PRC

China Green's goal is to become the paragon of standardized plantation of green food in the PRC. To attain this goal, the Group introduced advanced cultivation technology within and outside the PRC, and implemented an industrialized management operating model, which includes adopting a "Sales Driven Model" Policy; to adapt customized supply models for Northern and Southern China to ensure stable product supply; and to formulate the Group's standardized plantation manual. In addition, the Group implemented comprehensive green controls on its lands, from seed selection, soil testing, the establishment of irrigation facilities, training of planting management teams and the application of pesticides. The purpose is to ensure food safety and to continue to supply green food to consumers.

The Largest Scale of Green Food Production and Processing Platform in the PRC

To cater to the sustained rise in demand from around the world, the Group is planning to enhance processing capacity and expand processing categories. Plant expansion will not only enhance the Group's processing capacity and economies of scale, but will also allow the Group to efficiently utilize its all-altitude plantation base.

With the application of advanced technologies to enhance its processing business, the Group will be able to use surplus fruits and vegetables from the fresh produce distribution business and further process them into value-added foods so as to significantly enhance the Group's profitability.

The Leading Brand for Instant Green Food in the PRC

In order to expand the market share of the green consumer food market, the Group will further explore more varieties of its domestic brands and develop various green food categories in order to grow brand awareness and the popularity of the Group's green food products among PRC consumers on an extensive basis. This is expected to help solidify consumer confidence in the Group's products.

The Group will continue to its gradual market development strategy by making breakthroughs in provinces one at a time. This will spread from Jiangxi and Fujian provinces to other regions in southern China and then to the whole country, so as to build the "China Green" brand as the leading brand for instant green food in the PRC.

The Best Fresh Green Food Supply Chain in the PRC

In view of the rapid development of the PRC consumer market in recent years, the Group will further develop its downstream businesses in the coming year. Apart from the planned green food logistics and distribution business in Shanghai, the Group started green food logistics and distribution operations in Xiamen, Fujian in July 2007. Currently the Group provides distribution services and operates a "China Green" counter in Minxing Supermarket, which is owned by Xiamen Seashine Group Co., Ltd. Meanwhile, the Group also distributed fresh produce to various large supermarkets such as Newhuadu, Trust-Mart and Rainbow in Fuzhou, Xiamen and Quanzhou. To provide green food logistics and distribution services will not only enhance the Group's distribution capacity, it will also strengthen its upstream businesses, and allow the Group to efficiently utilize its own plantation and processing platforms in order to achieve its goal of becoming the best fresh green food supply chain in the PRC.

In general, the Group will strive to expand its upstream plantation and processing business while it will also proactively develop the downstream business of brand management, logistics, delivery and distribution. Furthermore, the Group will integrate its upstream and downstream businesses, which will create synergies and economies of scale for the Group's supply chain management business and enable the Group to enter new markets and develop new businesses.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

Final Dividend

The Board has resolved to recommend to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 25 September 2007 ("2007 AGM") a final dividend of HK$0.063 (approximately RMB0.062) (2006: HK$0.062 (approximately RMB0.064)) per share to be paid on 23 October 2007 to those shareholders whose names appear on the register of members of the Company on 25 September 2007. Taking into account of the interim dividend of HK$0.048 per share (2006: HK$0.038) and the proposed final dividend, total dividends for the year will amount to HK$90,091,000 (approximately RMB91,283,000) (2006: HK$72,984,000 (approximately RMB75,173,000)).

Closure of Register of Members

The register of members of the Company will be closed from Friday, 21 September 2007 to Tuesday, 25 September 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend and to attend the 2007 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 20 September 2007.

Holders of the 2.125% convertible bonds (the "Bonds") of the Company should lodge the conversion notice together with the relevant document evidencing the title of the Bonds to the conversion agent of the Bonds not later than 4:00 p.m. on Friday, 14 September 2007 in order to qualify for the final dividend and to attend the 2007 AGM.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), which came into effect on 1 January 2005.

During the year ended 30 April 2007, the Company was in compliance with code provisions set out in the CG Code except that code provision A.2.1 of the CG Code provides that the responsibilities between the chairman ("Chairman") and chief executive officer ("CEO") should be divided. The Company does not have a CEO and Mr. Sun Shao Feng currently performs these two roles. 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 believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

Save as the aforesaid and in the opinion of the Directors, the Company has met the code provisions set out in the CG Code for the year ended 30 April 2007.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 30 April 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the year ended 30 April 2007.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 12 December 2003 and adopted a new set of written terms of reference on 20 January 2006 in compliance with the CG Code. The primary duties of the Audit Committee are to review the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Hu Ji Rong, Mr. Lin Chuan Bi and Mr Zheng Baodong. During the year ended 30 April 2007, the Audit Committee held 2 meetings with all members present to review with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters. In addition, the Audit Committee has reviewed the final results for the year ended 30 April 2007.

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

Hong Kong, 27 August 2007

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.