CHINA GREEN (HOLDINGS) LIMITED
中 國 綠 色 食 品（控 股）有 限 公 司

(formerly known as China Culiangwang Beverages Holdings Limited and 中國粗糧王飲品控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 904)

Annual Report 2016

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Sun Shao Feng
(Chairman and Chief Executive Officer)
Mr. Chen Changgai

Independent Non-Executive Directors:

Mr. Hu Ji Rong
Mr. Wei Xiongwen
Mr. Zeng Shaoxiao
Ms. Yu Xiao Min

COMPANY SECRETARY

Ms. Chan Pui Shan, Bessie

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

HONG KONG LEGAL ADVISERS

Leung & Lau
Shearman & Sterling

BERMUDA LEGAL ADVISER

Conyers Dill & Pearman

PRINCIPAL BANKERS

Agricultural Bank of China
China Merchants Bank
Industrial and Commercial Bank of China
Industrial Bank
Ping An Bank
Standard Chartered Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1502, 15/F.
The Chinese Bank Building
61-65 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
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183 Queen's Road East
Wanchai
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STOCK CODE

904

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WEBSITE

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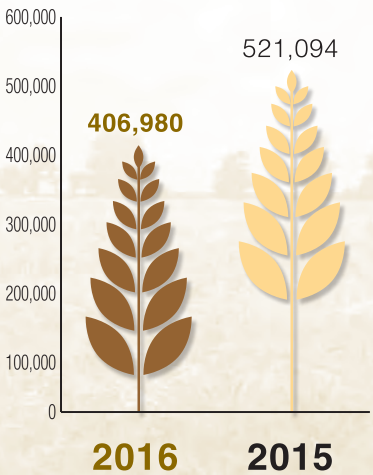
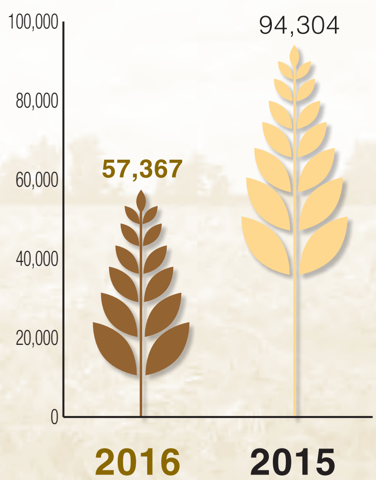
FINANCIAL HIGHLIGHTS

(RMB'000)	**2016**	2015
Continuing Operations		
Turnover	**406,980**	521,094
– Fresh produce and processed products	**378,883**	364,520
– Branded food products and others	**28,097**	156,574
Gross profit	**57,367**	94,304
Gross Profit Margin	**14.1%**	18.1%
Discontinued operations		
Profit for the year from discontinued operations	**452,487**	178,475
Continuing & Discontinued operations		
Loss for the year attributable to owners of the Company	**(961,113)**	(269,549)
Basic loss per share (Restated)	**RMB (88.47) cents**	RMB (39.92) cents

TURNOVER
(RMB'000)



GROSS PROFIT
(RMB'000)



CHAIRMAN'S STATEMENT

The 2015/16 financial year was a challenging year for the Group. After lengthy reorganization and negotiation which lasted for more than one year, the transaction in relation to the Group disposal of its beverage business to Coca-Cola was completed in March this year. The proceeds from the disposal have substantially reduced the total indebtedness of the Group.

Although the Group has ceased to engage in beverage business operation, Coca-Cola will continue to use the "China Green Culiangwang" brand for the multi-grain beverages, which not only helps enhance the consumer recognition of our "China Green" brand, but further strengthens our status in the multi-grain industry. After the disposal, the Group continues to maintain its status as an expert in multi-grain industry, with the focus shifted towards developing diversified raw material supply and prepared frozen food businesses.

Starting from May 2015, the Group started cultivation of 50,000 mu of the multi grain farmland in Baicheng City, Jilin Province, which started to contribute sales to the Company. We believe that mass production of multi grain will commence in the near future to satisfy the market demand for multi grain. The Group also entered into a supply agreement with Coca-cola for the provision of quality raw materials for its China Green Culiangwang beverages for a term of 5 years.

During the year, the Group has strived to create an entirely green ingredient supply chain known as the "Garden Life" (田園生活) for green and fresh food ingredients. Concentrating on culinary research and recipe development, the Group has also launched a prepared frozen food brand known as "China Green Imperial Delicacy" (中綠御膳良品) to bring consumers the convenience, healthiness and deliciousness of prepared frozen food, which includes the staple food series, the concocted food series, the soup series, the authentic delicacies series, the starters series and the dessert series, all of which are sold on shelves of international supermarket chains and large domestic retail chains. The Group will gradually expand its sales coverage and lead a new trend towards developing a green and healthy diet, bringing an ultimate dining experience which is mouthwatering, nutritious and green to each and every person.

In this increasingly digital era, the Group actively expands its e-commerce sales channel to strengthen its brand image, and as such has opened a WeChat mall on WeChat and set foot in other third party service platforms, such as Taobao and JD.com, to expand its existing sales channel as well as achieve precision marketing through big data and social networks.

In the 2016/2017 financial year, we will stay focused on continuing to provide excellent green products to our customers and prudently growing our businesses in China, in the Group's pursuit of becoming a lead runner in the area of multigrain non-beverage consumer products.

On behalf of the Board, I would like to thank the shareholders, business partners and customers for their continued support and trust. At the same time, I would like to take this golden opportunity to express our heartfelt gratitude towards all of our members of the Board, the management team and staff for the loyalty, efforts and contributions over the past year.

Sun Shao Feng
Chairman of the Board
26 July 2016

FINANCIAL HIGHLIGHTS AND REVIEW OF OPERATIONS

Continuing Operations

Sales Revenue

During the year ended 30 April 2016, the Group was principally engaged in two business segments for continuing operations, namely (i) fresh produce and processed products and (ii) branded food products and others.

The sales revenue of the Company and its subsidiaries from continuing operations decreased by approximately 21.9% to approximately RMB407.0 million (FY2014/15: RMB521.1 million). The reduction in sales revenue was due to increase in sales revenue of fresh produce and processed products, which was offset by decrease in sales revenue of branded food products and others.

The breakdown of the revenue was as follows:

	Year ended 30 April	
	2016	2015
	RMB'000	RMB'000
Revenue By Products		
Fresh produce and processed products	**378,883**	364,520
Branded food products and others	**28,097**	156,574
Total	**406,980**	521,094

Fresh produce and processed products

The sales of fresh produce and processed products primarily consisted of fresh vegetables such as sweet corns, lotus roots, radish, cucumber and water melons as well as canned and frozen products. During the year, revenue from this segment was RMB378.9 million (FY2014/15: RMB364.5 million). The slight increase in sales during the year was mainly attributable to the increase in production for the fresh produce and processed products. Although the early withdrawal of certain farmlands has some effects on the production of fresh produce, the first phrase of production of 50,000 mu farmland in Baicheng City, Jilin Province has already commenced during the year and fresh produce such as rice, sweet corns and some multi-grains including green beans and red beans was produced.

Multi Grain Farmland – Baicheng City

In 2012, the Group entered into lease agreements for multi grain farmland of 200,000 mu in Baicheng City, Jilin Province, and planned for a major production base. As most of the Baicheng production base is located in Northeast China, it is extremely suitable for the cultivation of quality food crop in view of its latitude, climate and soil quality. The Group plans to make use of this production base to supply raw materials of multi grain products based on our cumulated cultivation experience and knowledge to achieve the higher degree of vertical integration. We will also promote the modernized and scientific mass production of multi grain products with the involvement of local expertise and farmers in Northeast China under the local climatic and ecological environment. To enhance flexibility of land use, we will make adjustments through various cooperative models on the basis of annual changes in yields and products.

Starting from May 2015, the Group began to cultivate the multi grain products in the first phase of 50,000 mu farmland including rice, sweet corns, green beans and red beans, which started to contribute sales to the Company during the year. We believe that the mass production of multi grain will gradually meet the demand of the market for multi-grain supply in the near future. We further expect that output from this farmland will be supplied to the Target Company (as defined below) as per the Supply Agreement (as defined below) upon the completion of the Disposal (as defined below), details of which are shown in the section headed "Significant Investments Held And Material Acquisitions And Disposals".

It is believed that the large size of the farmland in Baicheng City will fulfill the Group's strategic development of economical mass production, which will greatly boost the production efficiency.

Branded food products and others

The sales of branded food products and others mainly included rice and hotpot products sold under the Group's own brand. Revenue from this segment decreased from approximately RMB156.6 million in FY2014/15 to approximately RMB28.1 million during the year. Due to the increase in cost of production and the sluggish market for hotpot products, the Company decided to suspend the production line of hotpot products during the year. The sales of rice products also decreased during the year due to aging of the machineries of rice production line which slowed down the production efficiency.

Gross Profit and Gross Profit Margin

Gross profit for the year decreased by approximately 39.1% to approximately RMB57.4 million in FY2015/16 (FY2014/15: RMB94.3 million) and the gross profit margin decreased from 18.1% in FY2014/15 to 14.1% in FY2015/16, driven by the decrease in sales and the continued recognition of fixed cost such as depreciation and amortization in the cost of sales.

Other revenue

Other revenue decreased slightly from RMB14.9 million in FY2014/15 to RMB13.7 million in FY2015/16.

Other losses

During the year, other losses increased from RMB4.7 million in FY2014/15 to RMB123.7 million in FY2015/16, mainly due to the recognition of the net loss on financial assets at fair value through profit or loss of RMB7.1 million (FY2014/15: Nil), and impairment loss on available-for-sale financial assets of RMB115.3 million (FY2014/15: Nil)

Impairment losses on property, plant and equipment, long-term prepaid rentals and interest in leasehold land held for own use under operating leases

During the year, the Group recognised impairment losses on property, plant and equipment of RMB216.1 million (FY2014/15: RMB39.0 million), on long-term prepaid rentals of RMB402.2 million (FY2014/15: RMB128.2 million) and on interest in leasehold land held for own use under operating leases totaling RMB28.2 million (FY2014/15: RMB2.7 million), as a result of the early termination of certain land leases for the farmlands in Fujian, Jiangxi and Hubei provinces, and the continuing decline of the financial performance of the Group's fresh produce and processed products, and branded food products and others segments.

During the year, the Group early terminated certain land leases having taken into account different factors such as costs and benefits, the allocation of resources, the environment nearby, the product mixes of the farmlands and the future strategic development, etc. Most of the land leases terminated were small parcels of lands in different areas, difficult for efficient maintenance and mass production, and not in line with the strategic development of the Group for economical mass production in the future. The Group would incur a lot of expenses and costs on the production for limited benefits. Also, the product mixes from these farmlands were usually limited due to their small sizes. As a result of the rapid city urbanization of the cities nearby, the surrounding environment and soil quality of some farmlands started to become unsatisfactory, which would affect the quality of the future growth of products. The aging machineries in some farmlands also slowed down the production efficiency. In light of the above factors, the Group decided to withdraw these land leases and focused on the development of the remaining large-scale quality farmlands.

Since those losses as mentioned above are non-cash in nature, they had no significant impact on the cash flow of the Group for the financial year under review.

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

There is a loss from changes in fair value less costs to sell biological assets of approximately RMB5.1 million as compared with a gain of approximately RMB5.7 million for the last year. Such loss is mainly due to the decrease in biological assets planted by the Group as at 30 April 2016.

Operating Expenses

Total operating expenses increased to approximately RMB634.4 million (FY2014/15: RMB212.0 million). Selling and distribution expenses were approximately RMB17.1 million (FY2014/15: RMB30.5 million), representing a decrease of 43.9% because of the decrease in sales. General and administrative expenses were approximately RMB617.3 million (FY2014/15: RMB181.5 million), due to the recognition of direct tax expenses and other direct expenses such as legal and professional fees in relation to the Disposal.

Discontinued Operations

Sales Revenue

Before the completion of the Disposal, the Group was selling different types of beverage products under its own brands, most of which were multi-grain focused and were tailored for the increasing health demand of the domestic market.

During the year, the Group's sales revenue of branded beverage products reported a decrease to approximately RMB1,220.7 million (FY2014/15: RMB1,421.8 million), mainly due to the adjustment and optimisation of product sales mix and adjustment of co-operation with OEM producers.

Gross profit and gross profit margin

Gross profit of branded beverage products for the year was reported at approximately RMB418.7 million (FY2014/15: RMB540.5 million) and the gross profit margin was 34.3% (FY2014/15: 38.0%).

Operating expenses

Total operating expenses of branded beverage products decreased to approximately RMB288.5 million (FY2014/15: RMB269.2 million). Selling and distribution expenses were approximately RMB222.9 million (FY2014/15: RMB233.2 million). General and administrative expenses were approximately RMB65.6 million (FY2014/15: RMB36.0 million).

Gain on Disposal

During the year, the Group recorded an one-off gain on the Disposal amounting to RMB1,028.0 million.

Impairment losses on tangible assets due to the restructuring of the discontinued operations arising from the Disposal

During the year, the Group recognized impairment losses on property, plant and equipment of RMB363.3 million and deposits on purchase of property, plant and equipment of RMB264.5 million, due to the restructuring of the discontinued operations arising from the Disposal. The Group carried out a series of restructuring steps to consolidate the Disposed Business (as defined below) under the Target Company pursuant to the restructuring agreement before the completion of the Disposal. Some of the tangible assets related to the branded beverage businesses were not included in the disposal group sold to the buyer. Also, in accordance with the Amended and Restated Equity Transfer Agreement (as defined below), the Group is prohibited from engaging in the beverage business for 5 years upon the completion of the Disposal of the Target Company to CCBSL. In view of the above factor and other factors such as present conditions of property, plant and equipment and the future strategic development of the Group, the Group decided to make impairment on them after the completion of the Disposal.

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

For the year ended 30 April 2016, loss attributable to the owners of the Company was approximately RMB961.1 million (FY2014/15: RMB269.5 million). This was a result of (i) a fair value loss arising from impairment loss on available-for-sale financial assets; (ii) impairment losses recognized on the property, plant and equipment, long-term prepaid rentals and leasehold land held for own use under operating leases; and (iii) an impairment loss recognized on certain tangible assets in connection with the Disposal as a result of the restructuring of the discontinued operations.

Financial Position and Liquidity

As at 30 April 2016, the Group's total cash and cash equivalents amounted to approximately RMB1,961.5 million (2015: RMB141.7 million) whilst the total assets and net assets were approximately RMB4,909.4 million (2015: RMB5,607.7 million) and RMB3,088.5 million (2015: RMB3,489.4 million) respectively. The Group had current assets of RMB2,495.1 million (2015: RMB2,055.3 million) and current liabilities of RMB1,610.3 million (2015: RMB1,522.8 million). The current ratio was 1.55 times (2015: 1.35 times).

The Group's bank and other borrowings amounted to approximately RMB948.2 million (2015: RMB1,061.8 million), of which secured bank and other borrowings were approximately RMB689.6 million (2015: RMB763.5 million) and unsecured bank and other borrowings were approximately RMB258.6 million (2015: RMB298.3 million).

The Group's convertible bonds amounted to approximately RMB568.4 million (2015: RMB665.1 million).

The gearing ratio of the Group, defined as the total borrowings and convertible bonds to the shareholders' equity, amounted to 49.1% as at 30 April 2016 as compared with 49.5% as at 30 April 2015.

Securities Investments

During the year, the Group has invested in securities of listed and non-listed companies. The Group recorded net loss on financial assets at fair value through profit or loss of RMB7.1 million (FY2014/15: Nil), and impairment loss recognised on available-for-sale financial assets of RMB115.3 million (FY2014/15: Nil), mainly as a result of the recent volatility of the Hong Kong securities market.

As at 30 April 2016, the total fair value of the investment portfolio held by the Group was approximately RMB62.8 million (2015: RMB42.8 million) and consisted of financial assets at fair value through profit or loss of RMB2.9 million (2015: Nil) and available-for-sales financial assets of RMB59.9 million (2015: RMB42.8 million). Available-for-sales financial assets were mainly composed of shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and they included (i) approximately 33,687,000 shares of Interactive Entertainment China Cultural Technology Investments Limited ("IECCTI", stock code: 8081), (ii) 51,954,000 shares of Convoy Global Holdings Limited (formerly known as Convoy Financial Holdings Limited) ("CFH", stock code: 1019), (iii) 25,500,000 shares of Tianyun International Holdings Limited ("TIH", stock code: 6836) and (iv) 147,900,000 shares of China Demeter Investments Limited ("CDI", stock code: 8120). The shares of each of CFH and TIH were listed on the Main Board of the Stock Exchange and the shares of each of IECCTI and CDI were listed on the Growth Enterprise Market of the Stock Exchange.

Having considered the financial performance and the business developments of these companies, such acquisitions are not for the purpose of selling in the short term but for long term investments of the Group. In view of the Disposal, the Group will continue to explore the investment and cooperation opportunities with all these companies.

CAPITAL STRUCTURE AND FUND RAISING ACTIVITIES

Convertible Bonds

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", collectively, the "Convertible Bonds") with an outstanding principal amount of approximately RMB514,880,000 and RMB53,604,600 respectively as of 30 April 2016.

During the year under review, a principal amount of RMB400,000 of the 7.00 per cent. Bonds was converted into 495,049 shares of the Company at the conversion price of HK$1.01 per conversion share and a principal of RMB400,000 of the 10.00 per cent. Bonds was converted into 57,937 shares of the Company at the conversion price of HK$8.63 per conversion share.

As disclosed in the announcements of the Company dated 4 April 2016 and 12 April 2016, the Company planned to seek the agreement of the holders of the Convertible Bonds ("Bondholders") to extend the timeframe to repay the outstanding principal and interests of the Convertible Bonds beyond the maturity date of 12 April 2016 ("Maturity Date") and other necessary amendments to the terms of the Convertible Bonds owing to the unforeseen restrictions in the PRC relating to the remittance of monies offshore which affected the Company's ability to remit its onshore funds to Hong Kong despite the completion of the Disposal.

As subsequently disclosed in the announcement of the Company dated 17 June 2016, on 10 June 2016, Bondholders holding not less than 75% in the outstanding principal amount of the 7.00 per cent. Bonds and 10.00 per cent. Bond, respectively, signed the standstill agreement (the "Standstill Agreement") with the Company pursuant to which the parties agreed that, conditional upon the trustee of the 7.00 per cent. Bonds and 10.00 per cent. Bonds ("Trustee") having received from the Company (i) all outstanding fees and expenses due and payable to the Trustee under the terms of the constitution documents of the Convertible Bonds; (ii) the unpaid accrued interest in respect of the Convertible Bonds that was due to be paid on the Maturity Date and accrued interest from the Maturity Date to the date of the Standstill Agreement; and (iii) 25% of the principal amount of the Convertible Bonds that was due to be redeemed on the Maturity Date, the Bondholders shall, amongst others, not exercise or direct the Trustee to exercise any right or remedy that the Bondholders or the Trustee would otherwise be entitled to exercise pursuant to the constitutional documents of the Convertible Bonds up to 31 August 2016.

The aforesaid payments to the Trustee to effect the Standstill Agreement were made on 22 June 2016.

Issue of 2015 Notes

The Group also issued interest bearing notes in an aggregate amount of HK$380,000,000 (equivalent to RMB298,342,000) in April 2015 (the "2015 Notes"). The 2015 Notes bore interest of 19.2% per annum and were matured in 6 months after issued. On 15 July 2015, the Company made an early redemption of the 2015 Notes before its maturity in full together with the accrued interest.

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 ("Partner Shanghai") in relation to, amongst other matters, the subscription of 226,553,576 shares of the Company (the "Shares") (as varied and amended by a novation agreement dated 20 June 2014 and made by the same parties and 紫荊控股有限公司 (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 HK$ 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).

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

2015 Open Offer

During the year, the Company has issued 3,974,283,592 new Shares under the 2015 Open Offer (as defined below). The reason for the 2015 Open Offer (as defined below) are to (i) enable the Company to raise funds for reducing its indebtedness so as to improve the gearing ratio of the Group and other financial performance of the Group; and (ii) allow the Company to strengthen its capital base and provide an opportunity to all qualifying Shareholders to participate in the future development of the Company.

On 8 July 2015, the Company completed an open offer of 3,974,283,592 Shares at the subscription price of HK$0.2 per offer share on the basis of two offer shares for every one Share held on 12 June 2015 (the "2015 Open Offer"). The net proceeds from the 2015 Open Offer, after deducting the underwriting commission and other related expenses payable by the Company, were approximately HK$772.9 million. As at 30 April 2016, such net proceeds were used as to (i) HK$395.2 million had been utilised as intended for the repayment of the 2015 Notes, (ii) HK$204.8 million had been utilised as intended for reducing other indebtedness of the Group, (iii) HK$51.2 million had been utilised as intended to strengthen and develop the fresh produce and processed products, and branded food products related businesses of the Group, (iv) HK$24.0 million had been utilised as intended for the payment of part of the professional fees and costs for the restructuring of the Disposal and (v) HK$48.9 million had been utilised as intended as general working capital and operating expenses of the Group. The remaining net proceeds of approximately HK$48.8 million have remained unused and are intended to be used as planned to strengthen and develop the continuing operations of the Group.

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 2016 and the Company's prospectus dated 15 June 2015.

2016 Open Offer

On 19 January 2016, the Company proposed to raise not less than approximately HK$286.1 million before expenses by issuing not less than 2,384,570,154 offer shares and not more than approximately HK$347.5 million before expenses by issuing not more than 2,895,459,776 offer shares at the subscription price of HK$0.12 per offer share on the basis of 2 offer shares for every 1 Share in issue on the record date ("2016 Open Offer").

On 25 April 2016, due to change in circumstances and the recent market sentiment, the underwriter and the Company could not agree upon a revised timetable on the 2016 Open Offer. The Company and the underwriter have amicably agreed to terminate the underwriting agreement dated 19 January 2016 entered into between the Company and the underwriter in relation to the 2016 Open Offer with immediate effect, whereupon the parties' respective obligations have ceased and terminated, and the 2016 Open Offer will not proceed.

Increase in authorized share capital

On 2 June 2015, the Company passed an ordinary resolution to increase its authorized 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 additional 7,000,000,000 unissued Shares and such Shares shall rank pari passu with all existing Shares upon issue.

Capital Reorganisation and Change in Board Lot Size

At the special general meeting held on 24 November 2015, the special resolution in relation to the capital reorganisation (the "Capital Reorganisation") comprising the share consolidation ("Share Consolidation"), capital reduction ("Capital Reduction") and the share sub-division ("Share Sub-division") was duly passed by way of poll and the Capital Reorganisation took effect on 25 November 2015. Details of the Capital Reorganisation are as follows:

(1) Share Consolidation:

Every 5 issued and unissued ordinary shares of par value of HK$0.10 each in the share capital of the Company prior to the Capital Reorganisation became effective were consolidated into 1 consolidated share ("Consolidated Share") of par value of HK$0.50 each and the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation was rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which might arise from the Share Consolidation.

(2) Capital Reduction:

The Capital Reduction was effected immediately upon the Share Consolidation becoming effective, pursuant to which the par value of each of the then issued Consolidated Shares was reduced from HK$0.50 to HK$0.10 by cancelling the paid-up capital of the Company to the extent of HK$0.40 on each of the then issued Consolidated Shares, the credits arising from (a) such reduction of the paid up capital; and (b) the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation, which together, amount to approximately HK$476,914,031, was credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

(3) Share Sub-division:

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.50 each was sub-divided into 5 new Shares of par value of HK$0.10 each.

The board lot size for trading in the Shares on the Stock Exchange was changed from 6,000 to 4,000 upon the Capital Reorganisation becoming effective.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 April 2016, the Group had contractual capital commitments of approximately RMB2.8 million (2015: RMB319.3 million).

As at 30 April 2016, 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 2016, the bank deposits amounting to approximately RMB287.2 million (2015: RMB255.9 million) had been pledged to secure the Group's bank loans and banking facilities. In addition, certain property, plant and equipment and interests in leasehold land held for own use under operating leases with book value amounting to approximately RMB212.9 million (2015: RMB469.2 million) had been pledged to secure the Group's bank loans 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. For further details of the Convertible Bonds 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 2016. 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 INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Completion of disposal of branded beverage businesses

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 is an indirect wholly-owned subsidiary of the Company and 可口可樂飲料(上海)有限公司 (Coca-Cola Beverges (Shanghai) Company Limited* ("CCBSL") entered into an equity transfer agreement (the "Equity Transfer Agreement"), pursuant to which CCBSL has conditionally agreed to acquire, and Xiamen Company has 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"), a limited liabilitly company incorporated in the PRC and wholly owned by Xiamen Company ("Disposal"). The purchase price is based on the agreed enterprise value of US$400.5 million (subject to adjustments) and will be paid by CCBSL in cash in accordance with the Equity Transfer Agreement.

For the purposes of the Disposal, among others, the parties of the Equity Transfer Agreement, 中綠(福建)農業綜合開發有限公司 (Zhonglu (Fujian) Agriculture Comprehensive Development Company Limited*), 中綠(湖北)實業發展有限公司 (China Green Hubei Industry Co., Ltd*), each of which is an indirect wholly-owned subsidiary of the Company 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 manufacturing, marketing and sale of beverage products businesses (but excluding porridge or congee and beverage products in powder form) (the "Disposed Business") under the Target Company.

The Equity Transfer Agreement and the transactions contemplated thereunder were approved by the shareholders of the Company (the "Shareholders") at the special general meeting held on 14 September 2015. On 15 September 2015, the Group was confirmed by CCBSL that the Anti-Monopoly Bureau of MOFCOM 商業部反壟斷局 has decided that the Disposal was not prohibited under the Anti-Monopoly Law.

As disclosed in the announcement of the Company dated 29 February 2016, the Company and other relevant parties have entered in an amended and restated equity transfer agreement (the "Amended and Restated Equity Transfer Agreement") to amend certain terms of the Equity Transfer Agreement. As the Disposal is a very substantial disposal as classified under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Amended and Restated Equity Transfer Agreement represented a material change to the terms of the Disposal, the Amended and Restated Equity Transfer Agreement is conditional on Shareholders' approval at a general meeting under the Listing Rules. At the special general meeting of the Company held on 23 March 2016, the resolution approving the amended and Restated Equity Transfer Agreement was duly passed by the Shareholders and as disclosed in the announcement of the Company dated 23 March 2016, the completion of the Disposal took place on the 23 March 2016 (the "Completion Date"), and CCBSL paid to Xiamen Company an amount of RMB1,561.7 million on the same day.

Pursuant to the Amended and Restated Equity Transfer Agreement, (a) an additional US$50 million of the purchase price (the "Additional Escrow Amount") will be put in escrow, and (b) the purchase price may be reduced pursuant to a performance based adjustment to be determined based on the net sales revenue of the Disposed Business for a specified nine-month period. The Additional Escrow Amount, together with the escrow of US$100 million provided under the Equity Transfer Agreement, will be released to the seller subject to the satisfaction of the original release conditions provided under the Equity Transfer Agreement and the performance based adjustment mechanism.

Supply Agreement and Transitional Services Agreement

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

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

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

As disclosed in the announcement of the Company dated 23 March 2016, the Company has received an amount of RMB1,561.7 million ("Disposed Proceeds") upon the completion of the Disposal. As at 30 April 2016, RMB336 million of the Disposal Proceeds have been paid for the direct tax expenses and other direct expenses in connection with the Disposal, and RMB200 million has been utilized for the reduction of indebtedness. The remaining unused amount of RMB1,025.7 million of the Disposal Proceeds is intended to be applied for the payment of other accruals and payables in connection with the Disposal, and for the reduction of indebtedness of the Group.

Saved as disclosed above, the Group made no other significant investments, material acquisitions or disposals during the year ended 30 April 2016.

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 2016, the number of staff and the staff remuneration of the Group were 840 (2015: 2,380) and approximately RMB68.8 million (FY2014/15: RMB93.6 million) respectively. The decrease in the number of staff was attributed to the Disposal and the withdrawal of certain leases for certain framlands during the year.

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 (the "Share Option Scheme") on 18 October 2013 and no options has been granted under the Share Option Scheme since its adoption.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 14 September 2015, the Shareholders have approved to change the English name of the Company from "China Culiangwang Beverages Holdings Limited" to "China Green (Holdings) Limited" and to adopt the Chinese name of "中國綠色食品（控股）有限公司" as the secondary name of the Company to replace "中國粗糧王飲品控股有限公司" (the "Change of Company Name"). With the approval of the Registrar of Companies in Bermuda, the Change of Company Name became effective on 28 January 2016.

SUBSEQUENT EVENTS

(I) Placing of new shares under specific mandate

On 20 May 2016, the Company entered into the placing agreement with the placing agents, pursuant to which the Company appointed the placing agents as its agents to severally procure (not on a joint and several basis) not less than six placees who and whose ultimate beneficial owners are independent third parties, to subscribe for, failing which, each placing agent itself will subscribe for its placing commitment, 5,750,000,000 placing shares at a price of HK$0.10 per placing share on a fully underwritten basis on the terms and subject to the conditions of the placing agreement ("SM Placing"). The gross proceeds from the SM Placing will be HK$575 million and the net proceeds will be approximately HK$553 million (after deduction of commission and other expenses of the SM Placing). The Company intends to use the net proceeds as to approximately HK$530 million for redemption of the Convertible Bonds and payment of the interest accrued thereon; and the remaining of approximately HK$23 million for general working capital. The resolution in relation to the SM Placing was approved by the Shareholders at the special general meeting held on 25 July 2016 ("SGM") and remains conditional upon, among others, the obtaining of approval of the Stock Exchange of the listing of, permission to deal in, all of the placing shares. As at the date of these consolidated financial statements, the SM Placing has not yet been completed.

For details, please refer to the announcements of the Company dated 20 May 2016 and 25 July 2016, and the circular of the Company dated 8 July 2016.

(II) Issue of 2016 Notes under specific mandate for loan restructuring

On 20 May 2016, the Company entered into the supplemental deed with the lender, pursuant to which the Company and the lender have conditionally agreed to restructure the loan due under the lump sum loan agreement such that the principal amount of the loan amounting to HK$190,000,000 shall be repaid by the Company by way of creating and issuing the notes in the principal amount of HK$190,000,000 ("2016 Notes"). The 2016 Notes carry the right to convert the principal amount of the loan and the interest accrued thereon from the issue of the 2016 Notes into conversion shares at the conversion price of HK$0.15 per conversion share (subject to adjustments). Assuming that the conversion rights are exercised in full at the conversion price of HK$0.15 per conversion share, a maximum of 1,418,666,666 conversion shares will fall to be issued to the noteholder. The resolution in relation to the issue of the 2016 Notes was approved by the Shareholders at the SGM and remains conditional upon, among others, the obtaining of approval of the Stock Exchange of the listing of, permission to deal in, all the conversion shares. As at the date of these consolidated financial statements, the issue of the 2016 Notes has not yet been completed.

For details, please refer to the announcements of the Company dated 20 May 2016 and 25 July 2016, and the circular of the Company dated 8 July 2016.

(III) Standstill Agreement in relation to the 7.00 per cent. Bonds and the 10.00 per cent. Bonds

On 10 June 2016, Bondholders holding not less than 75% in the outstanding principal amount of the 7.00 per cent. Bonds and the 10.00 per cent. Bonds, respectively signed the Standstill Agreement with the Company pursuant to which the parties agreed that, conditional upon the Trustee having received from the Company (i) all outstanding fees and expenses due and payable to the Trustee under the terms of the constitution documents of the Convertible Bonds; (ii) the unpaid accrued interest in respect of the Convertible Bonds that was due to be paid on the Maturity Date and accrued interest from the Maturity Date to the date of the Standstill Agreement; and (iii) 25% of the principal amount of the Convertible Bonds that was due to be redeemed on the Maturity Date, the Bondholders shall, amongst others, not exercise or direct the Trustee to exercise any right or remedy that the Bondholders or the Trustee would otherwise be entitled to exercise pursuant to the constitutional documents of the Convertible Bonds up to 31 August 2016. The aforesaid payments to the Trustee to effect the Standstill Agreement were made on 22 June 2016.

For details, please refer to the announcement of the Company dated 17 June 2016.

THE YEAR AHEAD

Launch of a new era going "completely green"

Although economic growth in the PRC has slowed down which resulted in a weakened consumer market, the nation is becoming more conscious about maintaining a healthy diet, and in particular, certain healthy and natural multi-grain food has become more popular among consumers. As such, the Group will continue to launch a variety of multi-grain healthy food products in the future to meet market demand. In the past, "Culiangwang" thrived in the beverage area. Going forward, China Green aims to create more green and convenient food products, which do not require a large amount of further capital injections in at least the next few years as the current production base and the processing plant are usable assets.

Leveraging on the Group's almost 20 years of experience in adopting an entirely green practice on cultivation and production, and its existing assets, as well as riding on the fast-growing multi-grain ingredient supply and prepared frozen food markets, we are confident that we can grasp each and every opportunity through professional and systematic operation and by means of brand promotion and scientific marketing, as such creating a cultural industry chain that upholds green cooking from "farm-to-table" for Chinese people, leading the way towards a culture of quick-frozen food that is also delicious within the Chinese industry, creating a new consumption culture that promotes convenience, tastes, style and casualness, and bringing innovative, essential and highly refined elements to modern civilization and general public.

Continue supplying raw materials to Culiangwang

Coca-Cola, a Fortune Global 500 company, will continue using the "China Green Culiangwang" brand after its acquisition of the Culiangwang beverage business. This is beneficial in terms of maintaining the Group's position in the multi-grain industry, and promotion and continuous development of its "China Green" brand. Also, the Group will continue to act as a supplier of multi-grain raw materials to the Target Company, which is beneficial to the development of China Green's multi-grain raw material supply business. The Group currently has approximately 200,000 mu of farmland in Northeast China, which makes it capable of supplying raw materials to Coca-Cola with consistent quality and quantity.

Upgrading the supply of green ingredients, engaging professional suppliers in the food industry that promote green, health and environmental protection

The Group upgrades the green ingredients supply chain and extends beyond the original “cultivation” category to the field of “cultivation and breeding”, integrates the food ingredient supply chain, and creates a brand named as the “Garden Life”(田園生活). The Group primarily supplies to key account supermarkets. Another key customer base is group factories i.e. to provide product ingredients to large food and beverage processing plants. The fruit and vegetable and grain products are currently available in more than 400 key account hypermarkets across the country such as Wal-Marts, METRO, New Huadu and Yonghui, and going forward, other products will be gradually extended to supermarkets and retail stores. The Group has also commenced building its own department of ingredient quality control and nutrition research.

Initiating a green diet revolution that brings green, delicious and nutritious cooking

In addition to the "Garden Life" brand, the Group will focus on building another brand – "China Green Imperial Delicacy" (中綠御膳良品). "China Green Imperial Delicacy" mainly consists of six series, the first being staple food, which includes rice, noodle, Chinese steamed bread and buns, etc., to fulfil our most basic demand for food; the second being concocted food, where different sorts of ingredients are concocted and only requires simple steaming, boiling, stir-frying and frying, etc., before being served directly; the third being soup, as we hire nutritionists and chefs to help arrange ingredients in a way that brings out the taste and is nutritious at the same time; the fourth is authentic delicacies, in which all sorts of Chinese delicacies are prepared in our central kitchen in the processing plant and can be eaten after purchasing and re-heating; the fifth is starters, being side dishes marinated using Japan seasoning salt and is similar to appetiser; and the sixth is the dessert series. Our first step is to enter large supermarket and hotel catering channels, second step is to enter the agricultural trade market, third step is into canteens, fourth step is the offering of made-to-order food service by arranging the required ingredients in accordance with consumers' personal taste and requirements, the fifth step is the intention to engage in the operation of local delicacies food store in transport hubs such as airport and highway service area.

Creating an online integrated platform

In this increasingly digital era, e-commerce develops rapidly and every product-making corporations inescapably develop their O2O platform to integrate offline resources with online sales. The Group will establish an online platform call "Kitchen Online" (廚房在線) to combine all products and supply chain resources in China Green and create a database through gathering customers' data on shopping behaviours as well as working together with other mediums, in order to be able to promote Chinese food culture in a more approachable way.

CORPORATE GOVERNANCE REPORT

China Green (Holdings) Limited (the "Company") is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all Shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "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 2016, 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 did not arrange appropriate insurance cover in respect of legal action against its Directors and senior officers until 15 June 2015.

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 is not appointed for a specific term, but is subject to retirement from office by rotation in accordance with the bye-laws of the Company (the "Bye-laws"). On 26 July 2016, the Company has entered into a letter of appointment with Mr. Hu for a fixed term of two years commencing on 26 July 2016, which is automatically renewable for successive term of two years upon the expiry of the said term, unless terminated by not less than one month's notice in writing served by either party on the other.

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, the chairman of each of the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and corporate governance committee (the "CG Committee") of the Company, and Mr. Zeng Shaoxiao, the chairman of the nomination committee (the "Nomination Committee") of the Company, did not attend the annual general meeting of the Company held on 14 September 2015 ("2015 AGM") due to dealing with their own official engagement.

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 2016.

DIRECTORS' SECURITIES TRANSACTIONS

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 throughout the year ended 30 April 2016.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall strategy of the Group, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of six Directors including two executive Directors and four independent non-executive Directors representing a majority of the Board:

Executive Directors
Mr. Sun Shao Feng *(Chairman and CEO)*
Mr. Chen Changgai

Independent Non-executive Directors
Mr. Hu Ji Rong
Mr. Wei Xiongwen
Mr. Zeng Shaoxiao
Ms. Yu Xiao Min

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board is composed to ensure strong independence existed across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership. The biographical details of Directors are set out on pages 36 to 37 under the section headed "Directors and Senior Management".

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, monitoring of operating budgets, the implementation of internal controls procedures, and ensuring of compliance with relevant statutory requirements and other rules and regulations.

Directors' Training

According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The CG Committee is delegated the responsibility by the Board of reviewing and monitoring the training and continuous professional development of the Directors and senior management.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 30 April 2016 to the Company.

The Company has also continuously updated Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

The individual training record of each Director received for the year ended 30 April 2016 is set out below:

Name of Director		(i) Attending or participating in seminars/workshops; or (ii) Working in technical committee relevant to the Group's business/directors' duties; or (iii) reading materials to regulatory update
Mr. Sun Shao Feng		✓
Mr. Chen Changgai		✓
Mr. Wei Xiongwen		✓
Mr. Hu Ji Rong		✓
Mr. Zeng Shaoxiao		✓
Ms. Yu Xiao Min	(Appointed on 1 July 2015)	✓

All the Directors also understand the importance of continuous professional development and are committed to participate in suitable training to develop and refresh their knowledge and skills.

Chairman and Chief Executive Officer

Up to the date of this report, the roles of Chairman and CEO were not separate 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 individual 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 calibre individuals with sufficient number thereof being independent non-executive Directors.

Independent Non-executive Directors

The four independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of law, accounting, scientific research and development, and has extensive international business network. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his/her independence to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

Mr. Hu Ji Rong, Mr. Wei Xiongwen, Mr. Zeng Shaoxiao and Ms. Yu Xiao Min, being all the independent non-executive Directors, were appointed for a term of 2 years and subject to retirement by rotation in accordance with the Bye-laws.

Attendance Records

	Number of attendance					
Name of Directors	**Board Meetings**	**General Meetings**	**Audit Committee's Meetings**	**Nomination Committee's Meeting**	**Remuneration Committee's Meeting**	**Corporate Governance Committee's Meeting**
Executive Directors:						
Mr. Sun Shao Feng *(Chairman and CEO)*	4/4	3/5	–	–	–	–
Mr. Chen Changgai	4/4	5/5	–	1/1	1/1	–
Independent Non-executive Directors:						
Mr. Hu Ji Rong	3/4	0/5	2/2	1/1	1/1	1/1
Mr. Wei Xiongwen	3/4	2/5	2/2	1/1	1/1	1/1
Mr. Zeng Shaoxiao	4/4	0/5	2/2	1/1	1/1	1/1
Ms. Yu Xiao Min *(appointed on 1 July 2015) (Note 1)*	3/4	2/4	–	–	–	–

Note:

1. Ms. Yu Xiao Min was appointed as an independent non-executive Director on 1 July 2015. Her attendance above has stated by reference to the relevant meetings held during her tenure.

Board Meetings

The Company planned in advance four scheduled Board meetings a year at approximately quarterly intervals in order to ensure that all Directors could plan in advance their availability to attend the scheduled Board meetings. Additional meetings will be held as and when required. During the regular meetings of the Board, the Board reviewed the operation and financial performance and reviewed and approved the annual and interim results.

During the financial year ended 30 April 2016, the Board held 4 meetings and passed resolutions by way of written resolutions. All Directors are given an opportunity to include any matters in the agenda for regular Board meetings, and are given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

Board minutes are kept by the company secretary of the Company (the "Company Secretary") and are open for inspection by the Directors. Every Board members are entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice upon reasonable request.

General Meetings

During the financial year ended 30 April 2016, 5 general meetings of the Company were held, being the 2015 AGM held on 14 September 2015, and 4 special general meetings held on 2 June 2015, 14 September 2015, 24 November 2015 and 23 March 2016 respectively.

The Board is responsible for maintaining an on-going dialogue with the Shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation.

AUDIT COMMITTEE

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

The terms of reference of the Audit Committee adopted by the Board are aligned with the code provisions set out in the CG Code, and are currently made available on the websites of the Stock Exchange and the Company.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and the risk management and internal control procedures.

During the financial year ended 30 April 2016, the Audit Committee held 2 meetings, at which the members of the Audit Committee principally reviewed the Group's annual financial statements for the year ended 30 April 2015, recommend of the re-appointment of the external auditors and reviewed the Group's interim financial statements for the six months ended 31 October 2015 respectively. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and other legal requirements in the review of the Company's interim and annual reports. The Audit Committee also reviewed the Company's financial controls and internal control and risk management systems.

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the agricultural industry and/or other professional areas.

The Nomination Committee currently consists of three independent non-executive Directors and an executive Director, namely Mr. Zeng Shaoxiao (as chairman), Mr. Hu Ji Rong, Mr. Wei Xiongwen and Mr. Chen Changgai.

The terms of reference of the Nomination Committee adopted by the Board is aligned with the code provisions set out in the CG Code, and is currently made available on the websites of the Stock Exchange and the Company.

The Nomination Committee is mainly responsible for reviewing the structure, size and diversity of the Board and making recommendations on any proposed changes to the Board to complement the Group's strategies, identifying individuals suitably qualified to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and CEO.

The Board adopted on 2 September 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Board Diversity Policy to the Nomination Committee. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors. The Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will discuss and review the measurable objectives for implementing the Board Diversity Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will also review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time. After assessing the suitability of the Directors' skills and experience to the Company's business, the Nomination Committee considered that the existing Board were suitably qualified with professional backgrounds and/or equipped with extensive expertise for the purposes of providing direction to and oversight of the Group's strategic and business in achieving its objectives.

During the financial year ended 30 April 2016, the Nomination Committee held 1 meeting, at which the Nomination Committee principally reviewed the Board structure and composition, as well as recommended the re-election of retiring Directors and assessed the independence of the independent non-executive Directors. Apart from attending the above meeting, the members of the Nomination Committee by passing of written resolution reviewed the biographical information of the proposed new Director and made recommendation on the suitability on such nomination.

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of three independent non-executive Directors and an executive Director, namely Mr. Hu Ji Rong (as chairman), Mr. Wei Xiongwen, Mr. Zeng Shaoxiao and Mr. Chen Changgai.

The terms of reference of the Remuneration Committee adopted by the Board is aligned with the code provisions set out in the CG Code, and is currently made available on the websites of the Stock Exchange and the Company.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy.

During the financial year ended 30 April 2016, the Remuneration Committee held 1 meeting, at which the Remuneration Committee principally reviewed the remuneration packages of the Directors and senior management. Apart from attending the above meeting, the members of the Remuneration Committee by passing of written resolutions made recommendation on the remuneration of new Director and the remuneration package of existing Directors.

The Company has adopted a Share Option Scheme on 18 October 2013. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible participants to motivate them and to optimize their performance and efficiency for the benefit of the Group. Details of the Share Option Scheme are set out in the Directors' Report. The emolument payable to Directors and senior management will depend on their respective contractual terms under employment agreement, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the prevailing market conditions. Details of the remuneration of Directors and senior management are set out in notes 9 and 10 to the consolidated financial statements.

The remuneration of the Directors and senior management of the Company for the year ended 30 April 2016, by band is set out below:

Remuneration Band	Number of individuals
Nil to HK$1,000,000	9
HK$1,000,001 to HK$2,000,000	–
HK$2,000,001 to HK$3,000,000	1
Above HK$3,000,001	1

Further details of the Directors' remuneration for the year ended 30 April 2016 are disclosed in note 9 to the consolidated financial statements.

CORPORATE GOVERNANCE COMMITTEE

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

Terms of reference of the CG Committee adopted by the Board is aligned with the code provisions set out in the CG Code.

The functions of the CG Committee are to develop and review the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements and make recommendations to the Board; to oversee the Company's orientation program for new Director; to review and monitor the training and continuous professional development of Directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's disclosure in the Corporate Governance Report.

During the financial year ended 30 April 2016, the CG Committee held 1 meeting at which the CG Committee principally reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of Directors and senior management and the Company's compliance with the CG Code.

AUDITORS' REMUNERATION

During the year under review, the remunerations paid/payable to the Company's auditors, HLB Hodgson Impey Cheng Limited, is set out as follows:

Services rendered	Fee paid/payable
	RMB'000
Audit services	1,500
Non-audit services (Note)	2,138
	3,638

Note: the non-audit services comprised (i) open offer and (ii) very substantial disposal.

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Pui Shan, Bessie ("Ms. Chan"), the representative of Uni-1, was appointed as the Company Secretary on 17 October 2015.

Mr. Ho Yui Pang, accounting manager of the Company, is the primary point of contact at the Company for the Company Secretary.

According to the Rule 3.29 of the Listing Rules, Ms. Chan had taken no less than 15 hours of relevant professional training for the financial year ended 30 April 2016.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-laws and the Companies Act of Bermuda. The procedure Shareholders can use to convene a special general meeting set out in the documents entitled "Procedures for a Shareholder to Propose a Person for Election as a Director", which is currently available on the Company's website.

Putting enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

Procedures for putting forward proposals by Shareholders at general meeting

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

(a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or

(b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or to circulate any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

(i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the forthcoming annual general meeting of the Company will be voted by poll.

CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's constitutional documents during the year.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders.

Information of the Company is disseminated to the Shareholders in the following manner:

- Delivery of annual and interim reports to all Shareholders;

- Publication of announcements on the annual and interim results on the websites of the Stock Exchange and the Company, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and

- The general meeting of the Company is also an effective communication channel between the Board and its Shareholders.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 30 April 2016, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

INTERNAL CONTROL

Management had implemented a system of internal control to provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, appropriate legislation and regulations are complied with, reliable financial information are provided for management and publication purpose and investment and business risks affecting the Group are identified and managed.

During the year ended 30 April 2016, the Board has conducted a review of the system of internal control to ensure the effectiveness and adequacy of the system. The Board shall conduct such review at least once annually.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Sun Shao Feng (孫少鋒), aged 51, is the Chairman, CEO and founder of the Group since its establishment. He is also an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules and director of several subsidiaries of the Company. Mr. Sun is mainly responsible for the overall management, business development, strategic planning and sales and marketing functions of the Group. He graduated in July 2002 from Correspondence College of the Central School of the Communist Party of China (中共中央黨校函授學院) majoring in Economics and Management. He has many years of management experience in the agricultural industry. Prior to joining the Group in May 1998, he had worked for the government office of Fuzhou City (福州市委). He is also a committee member of the Chinese People's Political Consultative Conference of the Fujian Province Quanzhou City (中國人民政治協商會議泉州市委員會) and the vice-president of the Hui An County Association of Industry and Commerce (惠安縣工商業聯合會). Mr. Sun's accomplishment is widely recognized by the PRC government. In 2000, he was accredited with the top 10 young entrepreneurs as well as the Model Labour of Quanzhou City. In 2001, he was nominated by the Central Office of the Communist Youth Group (共青團中央辦公廳) as one of the National Villages Young Entrepreneurial Leaders (全國農村青年創業致富帶頭人). In 2009, he was honorably awarded the "2009 Top 10 Outstanding Chinese Agricultural Economics Industry Entrepreneurs" (「2009中國農經產業十大優秀企業家」) during the "Third Session China Agricultural Economics Industry Development Forum" (「第三屆中國農經產業發展論壇」) ("Forum") and the "2009 China Agricultural Economics Industry Elite Ceremony" (「二零零九中國農經產業傑出人物頒獎典禮」) which are held jointly by the China Agricultural Magazine of the Agriculture Ministry (農業部中國農村雜誌社) and the China Academy of Management Science, and he was also appointed as an executive of the Forum.

Mr. Chen Changgai (陳昌概), aged 36, was appointed as an executive Director on 25 November 2013. Mr. Chen is also the general manager of finance and the executive vice president of the Group, mainly responsible for managing the Group's finance. Mr. Chen graduated from Wuhan University of Technology with a bachelor's degree in accounting. Mr. Chen joined the Group in 2001 and held various positions including accountant, finance manager, deputy chief financial officer and assistant to the president of the Group, mainly responsible for managing the Group's financial matters and tax filings. Mr. Chen has managing and finance experiences for over 16 years. He is also a member of each of the Remuneration Committee and the Nomination Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hu Ji Rong (胡繼榮), aged 59, is a professor at Fuzhou University and currently an associate dean in Zhicheng College of the same university. He was appointed as an independent non-executive Director on 6 September 2002. Mr. Hu graduated from Jiangxi University of Finance and Economics (江西財經學院) in 1983 and obtained a master degree in Business Administration from the Open University of Hong Kong in 2000. He holds a Certified Public Accountant license in the PRC. Mr. Hu has been the deputy head of Accounting Department in the College of Management of Fuzhou University (福州大學). Mr. Hu has taken up a number of public service positions including a director of the China Audit Society (中國審計學會), a specially contracted auditor (特約審計員) of the Fujian Provincial Audit Office (福建省審計廳) and a committee member of the Professional Conduct Committee of Fujian Institute of Certified Public Accountants (福建省註冊會計師協會). Mr. Hu has published more than 50 articles and research reports in the PRC. He is also the chairman of each of the Audit Committee, the Remuneration Committee and the CG Committee, and a member of the Nomination Committee.

Mr. Wei Xiongwen (魏雄文), aged 48, was appointed as an independent non-executive Director on 26 August 2013. Mr. Wei graduated from the law faculty of Peking University (now known as 'Peking University Law School') in 1988 and was awarded a bachelor's degree in laws. In 2005, he was awarded a degree of executive master of business administration by The City University London, Sir John CASS Business School. In 1989, Mr. Wei was awarded the qualification of China Lawyer practising in corporate finance, financial and capital markets, project finance, mergers and acquisitions and foreign direct investment. He is currently a partner and the head of lawyers of 上海創遠律師事務所 (Shanghai Chong Yuan Law Firm). He is also a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the CG Committee.

Mr. Zeng Shaoxiao (曾紹校), aged 35, was appointed as an independent non-executive Director on 18 August 2014. Mr. Zeng graduated and received his master and doctorate degree in Fujian Agriculture and Forestry University, major in storage and processing of agricultural products. Currently, Mr. Zeng is a member of professors committee of College of Food Science and an assistant to the dean at Fujian Agriculture and Forestry University, a director of Fujian Institute of Food Science and Technology, and an executive director of Fujian Food Additive Association. Mr. Zeng has been engaged in researches in fruit and vegetable processing, starch chemistry and function, evaluation of food safety and function, and he has been a visiting scholar of The University of Georgia for one year. In recent years, he is the major cooperator in one research program supported by Natural Science Foundation of China and two provincial research projects, and participates in several national and provincial research projects. He is also the chairman of the Nomination Committee, and a member of each of the Audit Committee, the Remuneration Committee and the CG Committee.

Ms. Yu Xiao Min (庾曉敏), aged 47, was appointed as an independent non-executive Director on 1 July 2015. She has extensive international network and substantial business experience in Hong Kong, the PRC, Southeast Asia, North and South America. Ms. Yu was awarded the "Outstanding Entrepreneur of Guangdong Province" by the Guangdong Provincial Executive Association of Entrepreneurs and the "Asia Pacific Entrepreneurship Awards — Most Promising Category" by Enterprise Asia. Ms. Yu is currently the chairlady of the board of directors and an executive director of IR Resources Limited, a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange. Ms. Yu holds a master's degree in business administration.

SENIOR EXECUTIVES

Mr. Chen Qian (陳謙), aged 45, is the vice president of marketing of the Group. Mr. Q Chen graduated from Fujian Province Ningde City Normal School (福建省寧德市師範高等專科學校) in 1992 and obtained a master degree from Renmin University of China (中國人民大學) in 2004. Prior to joining the Group, he served in various positions at a number of companies, including officer, section chief, head of sub-division, vice general manager and acting general manager, and has over 10 years of working experience in sales management.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lin Bing Wen (林炳文), aged 47, is the general manager of production division of the supply chain center. He joined the Group in January 2001. Prior to joining the Group, Mr. Lin was the personin-charge of cultivation bases for 5 years. He obtained his qualification as an assistant engineer from Quanzhou City Personnel Department (泉州市人事局) in January 2002.

Ms. Chen Bing Ling (陳冰玲), aged 41, is an assistant president and the deputy general manager of production division of the supply chain center. Ms. BL Chen has been a member of the Group since August 1998 and had been mainly responsible for business development, sales and marketing activities of the Group. She received a diploma in Business Management from Xiamen University (廈門大學) in 1996.

Mr. Chen Wen Zhong (陳文忠), aged 54, is an assistant president and the general manager of production division of the supply chain center. Since he started his career in 1985, he has been engaged in management of agricultural cultivation and development. He had been the sourcing director (principally in processing, plantation, sales and production) in the head office of Shanghai Doule (PRC) of the US DOLE Food Company. Mr. WZ Chen has strong experience in the on-site management of agricultural cultivation and processing.

Mr. Zhang Zhi Qin (張志勤), aged 52, is the vice president of the Group and general manager of food research and development center, responsible for supply chain management, research and development and quality control. He is a senior engineer and obtained a bachelor of Food Engineering. He was a committee member of the Assessment Committee of Senior Positions of High Technology Officers of Xiamen and a committee member of Technological Professional Committee of Fujian Food Industry Association. He has over 10 years of working experience in planning of food product development projects and in design, selection and implementation of production procedures. He is well versed in engineering technology and equipment engineering. He has issued a number of publications on his research and findings, including "Processing Technology of Fruits, Vegetables and Sugar Products", "Research and Production of Artificial Longan" and "Research and Production of Oolong Tea".

The Directors are pleased to present to the Shareholders the annual report and audited financial statements of the Group for the financial year ended 30 April 2016.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 14 September 2015, the Shareholders have approved to change the English name of the Company from "China Culiangwang Beverages Holdings Limited" to "China Green (Holdings) Limited" and to adopt the Chinese name of "中國綠色食品(控股)有限公司" as the secondary name of the Company to replace "中國粗糧王飲品控股有限公司". With the approval of the Registrar of Companies in Bermuda, the Change of Company Name became effective on 28 January 2016.

INCREASE IN AUTHORISED SHARE CAPITAL

On 2 June 2015, the Company passed an ordinary resolution to increase its authorized 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 additional 7,000,000,000 unissued Shares and such Shares shall rank pari passu with all existing Shares upon issue.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

At the special general meeting held on 24 November 2015, the special resolution in relation to the Capital Reorganisation comprising the Share Consolidation, the Capital Reduction and the Share Sub-division was duly passed by way of poll and the Capital Reorganisation took effect on 25 November 2015. Details of the Capital Reorganisation are as follows:

(1) Share Consolidation:

Every 5 issued and unissued ordinary shares of par value of HK$0.10 each in the share capital of the Company prior to the Capital Reorganisation became effective were consolidated into 1 Consolidated Share of par value of HK$0.50 each and the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation was rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which might arise from the Share Consolidation.

(2) Capital Reduction:

The Capital Reduction was effected immediately upon the Share Consolidation became effective, pursuant to which the par value of each of the then issued Consolidated Shares was reduced from HK$0.50 to HK$0.10 by cancelling the paid-up capital of the Company to the extent of HK$0.40 on each of the then issued Consolidated Shares, the credits arising from (a) such reduction of the paid up capital; and (b) the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation, which together, amount to approximately HK$476,914,031, was credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

(3) Share Sub-division:

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK$0.50 each was sub-divided into 5 new Shares of par value of HK$0.10 each.

The board lot size for trading in the Shares on the Stock Exchange was changed from 6,000 to 4,000 upon the Capital Reorganisation became effective.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investments holding. The activities of its subsidiaries are set out in note 37 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 April 2016 by business segments is set out in note 14 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the financial year ended 30 April 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 52.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2016 (2015: Nil).

BUSINESS REVIEW

The business review of the Group for the year ended 30 April 2016 is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks, including some of which are specific to the Group or the industries in which the Group operates. The Directors have established a policy to ensure that significant risks which may adversely affect the Group, are identified, reported, monitored, and managed on a continuous basis.

The Group has identified the following key risks that are considered to be significant to the Group, which may adversely and/or materially affect the Group's businesses, financial conditions, results of operations and growth prospects. Key risks relating to the Group's businesses and to the industries in which the Group operates are including but not limited to:

(a) Weather conditions and natural and man-made disasters

Potential adverse impact of the unfavourable weather conditions and natural and man-made disasters will affect the growth of agricultural products such as sweet corns, lotus roots, radish, cucumber and water melons. The harvest of such agricultural products may be adversely affected by natural disasters including, but not limited to, drought, floods, prolonged periods of rainfall, hailstorm, windstorms, typhoons and hurricanes, fire, diseases, landslides, insect infestation, pests, volcanic eruption or earthquakes, as well as man-made disasters such as environmental pollution, arson, accidents, civil unrest or acts of terrorism. The occurrence of any of natural or man-made disasters may diminish the supply of our agricultural products, resulting in a significant decrease in sales with an adverse effect on the Group's profitability.

(b) Macroeconomic environment

The change of macro economy has an impact on the business environment. Although agricultural products are considered as necessities for customers, there may be a gap between the local supply and demand, which may result in reduced demand and order for the Group's agricultural products from the customers or distributors and lower revenue and profit margins.

It is therefore important that the Group is aware of any such changes of economic environment and adjusts the product diversification plan and marketing strategies as well as overall business plan under different market conditions.

(c) Competition

The industries that the Group operates are highly competitive. Areas of competition include the quality and price of our agricultural products. The Group will respond timely to cope with the market conditions in order to suit the taste and demand of the market.

(d) Financial

The Group is exposed to financial risks, including credit, interest rate, currency, liquidity and other price risks. The Group actively and regularly reviews these risks and will adopt measures, if needed, to control and mitigate these risks.

(e) Employees

The Group's success and ability to grow depends largely on its ability to attract, train, retain, and motivate highly skilled and qualified managerial, sales, marketing, administrative, operating, and technical personnel. The loss of key personnel could materially and adversely affect the Group's prospects and operations.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Company is committed to operating in a sustainable manner while balancing the interests of various stakeholders including the Group's employees, customers, suppliers and the community.

(i) Employees

The Group recognises the value and importance of its employees and the Group has been devoting resources in staff training and review of their development. The Group ensures that all employees are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

(ii) Customers

The Group is committed to providing safe and healthy products to its customers. We endeavor to ensure the safety and quality of agricultural products via stringent quality control measures and regular communication with our customers.

(iii) Suppliers

The Group has developed long-standing relationships with a number of suppliers. The Group selects the suppliers in a prudent manner and requires them to satisfy certain stringent assessment criteria before provision of raw materials to us.

(iv) Community

The Company will continue to contribute to the harmonious society through social contributions and participations in public service activities.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a responsible corporate citizen, the Group recognises the importance of good environmental stewardship.

The Group implemented green policies to raise energy efficiency and minimise energy consumption. In addition, it adopted measures to protect the environment such as the adoption of paperless systems and practices in its daily operations, the duplex printing and copying, and the recycling of ink cartridges and toner cartridges, etc.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with applicable laws and regulations and the risk of non-compliance with such requirements. The Group has implemented system and allocated staff resources to ensure ongoing compliance with applicable laws, rules and regulations. During the year and up to the date of this report, the Group has compiled with the relevant laws and regulations that have significant impact on the Group in Hong Kong and the PRC.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year, together with the reasons therefor, are set out in the sub-section headed "Capital Structure and Fund Raising Activities" in the "Management Discussion and Analysis" section and note 32 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 56.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's contributed surplus in the amount of approximately RMB688,683,000 is available for distribution to Shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution of contributed surplus if (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account. As at 30 April 2016, the reserves of the Company were not available for distribution (2015: Nil). In addition, the Company's share premium account, in the amount of approximately RMB1,172,019,000 at 30 April 2016 (2015: RMB875,137,000), may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHT

There are no pre-emptive provisions under the Bye-laws or the laws in Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year 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 RMB120,263,096 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 2016.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors
Mr. Sun Shao Feng *(Chairman and CEO)*
Mr. Chen Changgai

Independent Non-executive Directors
Mr. Hu Ji Rong
Mr. Wei Xiongwen
Mr. Zeng Shaoxiao
Ms. Yu Xiao Min (Appointed on 1 July 2015)

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE AGREEMENTS

None of the Directors who are proposed for re-election at the 2016 annual general meeting of the Company has a service agreement with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 36 to 38.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 April 2016, the interest or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

Interests and short positions in Shares, underlying Shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary Shares held	Approximate percentage of shareholding in the Company
Mr. Sun Shao Feng	Interest of controlled corporation	Long position	366,546,600 *(Note)*	30.74%

Note: These 366,546,600 Shares owned by Capital Mate Limited ("Capital Mate"), a company incorporated in the British Virgin Islands with limited liability and is an entity controlled by Mr. Sun Shao Feng, an executive Director, the Chairman and the CEO.

Save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS IN SHARE OPTIONS

The purpose of the Share Option Scheme is to enable the Board to grant options to eligible participants including director, employee or any participants who has contributed or may contribute to the development and growth of the Group or any entity in which the Group holds any equity interest as incentives or rewards for their contributions to the Group.

The principal terms of the Share Option Scheme are as follows:

(i) The total number of Shares which may be issued and allotted upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed ten (10) per cent of the Shares in issue on the adoption date of the Share Option Scheme, i.e. 18 October 2013 unless the Company obtains a fresh approval from its Shareholders, and which must not aggregate exceed thirty (30) per cent of the Shares in issue from time to time. At the 2015 AGM, an ordinary resolution approving the refreshment of the scheme limit under the Share Option Scheme ("Scheme Mandate Limit") and authorizing the Directors to grant share options under the Share Option Scheme up to the refreshed limit (i.e. 596,142,538 shares of HK$0.10 each in the share capital of the Company before the Capital Reorganisation, representing 10% of the then issued share capital of the Company as at the date of the 2015 AGM) was passed. The Scheme Mandate Limit was adjusted to 119,228,507 Shares as a result of the Capital Reorganisation.

(ii) The total number of Shares in respect of which options may be granted to each eligible participant in any 12-month period must not exceed one (1) per cent of the issued share capital of the Company for the time being.

(iii) The subscription price shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

(iv) An option may be accepted by an eligible participant not later than 21 days from the date of grant of the option. Upon acceptance of the option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant of the option.

(v) Subject to the discretion of the Board who may impose restrictions on the exercise of the option as the Board think appropriate, an option may be exercised within a period (which may not be later than 10 years from the date of offer of option) to be determined and notified by the Board to the grantee thereof and, in the absence of such determination, from the date of offer to the earlier of (i) the date on which such option lapses under Share Option Scheme; and (ii) 10 years from the date of offer of option.

(vi) The Share Option Scheme remains valid for a period of 10 years commencing on 18 October 2013.

No share options have been granted under the Share Option Scheme since its adoption. As such, the total number of Shares available for issue upon exercise of the share options to be granted under the Share Option Scheme is 119,228,507 Shares, representing approximately 10% of the Shares in issue as at the date of this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the year was the Company or any of its subsidiaries, its holding company, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any or its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 30 April 2016, so far as is known to the Directors, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Interests and short position in Shares and underlying Shares

Name	Capacity	Position	Number of Shares held	Approximate percentage of shareholding in the Company *(Note 1)*
Capital Mate *(Note 2)*	Beneficial owner	Long position	366,546,600	30.74%

Notes:

1. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at 30 April 2016, that is 1,192,285,077.

2. Capital Mate is an entity controlled by Mr. Sun Shao Feng, Hence, Mr. Sun Shao Feng is deemed to be interested in these 366,546,600 Shares owned by Capital Mate.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the Shares or underlying Shares as at 30 April 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 2016.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, subsisted at the end of the year or at any time during the year, and in which a Director had, whether directly or indirectly, a material interest, nor there was any other contract of significance in relation to the Company's business between the Company or any of its subsidiaries and a controlling shareholder or any of its associates.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 30 April 2016, none of the Directors is interested in any business which competes or is likely to compete, either directly or indirectly, with the Company's business.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had not entered into any transactions which constituted non-exempt connected transactions or non-exempt continuing connected transactions under the Listing Rules.

RELATED PARTY TRANSACTIONS

During the year, the Group had entered into certain related party transactions but these transactions were not regarded as connected transactions or continuing connected transactions under the Listing Rules or were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules. Details of these related party transactions are disclosed in note 39 to the consolidated financial statements.

RETIREMENT SCHEME ARRANGEMENT

Particulars of the Group's retirement scheme are set out in note 13 to the consolidated financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of purchases attributable to the Group's five largest suppliers in the year was approximately 54% of the Group's purchase and the largest supplier to the Group was approximately 25% of the Group's purchase for the year.

The aggregate percentage of turnover attributable to the Group's five largest customers was approximately 12% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer was approximately 3% of the Group's turnover for the year.

None of the Directors, their associates or Shareholders, who to the knowledge of the Directors own more than 5% of the Company's share capital, had an interest in any of the five largest customers or suppliers.

PERMITTED INDEMNITY

The Company has maintained appropriate directors and officers liability insurance with effect from 15 June 2015 and such permitted indemnity provision for the benefit of the Directors is currently in force. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year and up to the date of this report.

AUDIT COMMITTEE

The Company established the Audit Committee on 12 December 2003, which currently 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 2016 have been reviewed by the Audit Committee.

SUBSEQUENT EVENTS

For the details of the subsequent events, please refer to the "management discussion and analysis" section of the annual report.

DONATION

During the year, the Group made charitable donations amounting to RMB250,000 in the PRC and HK$800,000 in Hong Kong.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting to re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company.

On behalf of the Board

China Green (Holdings) Limited
Sun Shao Feng
Chairman
Hong Kong, 26 July 2016

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
CHINA GREEN (HOLDINGS) LIMITED
(FORMERLY KNOWN AS CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Green (Holdings) Limited (the "Company") (formerly known as China Culiangwang Beverages Holdings Limited) and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 161, which comprise the consolidated statements of financial position as at 30 April 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other persons for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 April 2016, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which describe that the convertible bonds with an outstanding principal amount of approximately RMB568,391,000 in aggregate were matured on 12 April 2016 (the "Convertible Bonds"). On 10 June 2016, the bondholder of not less than 75% in the outstanding principal of the Convertible Bonds signed a standstill agreement (the "Standstill Agreement") with the Company pursuant to which the parties agreed that, conditional upon the trustee of the Convertible Bonds having received from the Company (i) all outstanding fees and expenses due and payable to the trustee under the terms of the constitution documents of the Convertible Bonds; (ii) the unpaid accrued interest in respect of the Convertible Bonds that was due to be paid on the maturity date and accrued interest from the maturity date to the date of the standstill agreement; and (iii) 25% of the principal amount of the Convertible Bonds that was due to be redeemed on the maturity date, the bondholders shall, amongst others, not exercise or direct the trustee to exercise any right or remedy that the bondholders or the trustee would otherwise be entitled to exercise pursuant to the constitutional documents of the Convertible Bonds up to 31 August 2016. The Standstill Agreement subsequently became effective on 22 June 2016. In addition, on 20 May 2016, the Company entered into a placing agreement with the placing agents to procure placees to subscribe for 5,750,000,000 placing shares at a price of HK$0.10 each (the "Placing of Shares"). The Company intends to use the net proceeds from the Placing of Shares for redemption of the Convertible Bonds.

Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the successful outcome of the Placing of Shares in order for the Group to redeem the Convertible Bonds in full before the expiry of the Standstill Agreement. These conditions, along with other matters as set forth in note 2, indicate the existence of an uncertainty which may cast doubt on the Group's ability to continue as a going concern.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number: P05029

Hong Kong, 26 July 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2016

	Notes	2016 RMB'000	2015 RMB'000
CONTINUING OPERATIONS			
Turnover	4	**406,980**	521,094
Cost of sales		**(349,613)**	(426,790)
Gross profit		**57,367**	94,304
Other revenue	5(a)	**13,723**	14,915
Other losses	5(b)	**(123,657)**	(4,675)
(Loss)/gain arising from changes in fair value less costs to sell of biological assets		**(5,073)**	5,745
Impairment loss recognised on property, plant and equipment	15	**(216,147)**	(38,994)
Impairment loss recognised on long-term prepaid rentals	17	**(402,163)**	(128,212)
Impairment loss on interest in leasehold land held for own use under operating leases	16	**(28,151)**	(2,715)
Net gain/(loss) arising from changes in fair value of other financial liabilities	30	**36,267**	(13,157)
Selling and distribution expenses		**(17,084)**	(30,499)
General and administrative expenses		**(617,308)**	(181,508)
Loss on disposal of a subsidiary		**–**	(14,036)
Loss from continuing operations		**(1,302,226)**	(298,832)
Finance costs	6(a)	**(118,450)**	(150,656)
Loss before taxation	6	**(1,420,676)**	(449,488)
Income tax	7	**7,076**	1,464
Loss for the year from continuing operations attributable to owners of the Company		**(1,413,600)**	(448,024)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operation attributable to owners of the Company	8	**452,487**	178,475
Loss for the year attribution to owners of the Company		**(961,113)**	(269,549)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2016

	Notes	2016 RMB'000	2015 RMB'000
Other comprehensive (loss)/income for the year (after tax)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(54,271)**	1,872
Reclassification adjustment related to available for sale financial assets		**4,309**	–
Net loss arising on change in fair value of available for sale financial assets		**–**	(4,309)
Total comprehensive loss for the year attributable to owners of the Company		**(1,011,075)**	(271,986)
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
– Basic (restated)	12	**RMB(88.47) cents**	RMB(39.92) cents
– Diluted (restated)		**RMB(88.47) cents**	RMB(39.92) cents
From continuing operations			
– Basic (restated)	12	**RMB(130.11) cents**	RMB(66.35) cents
– Diluted (restated)		**RMB(130.11) cents**	RMB(66.35) cents

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2016

	Notes	2016 RMB'000	2015 RMB'000
Non-current assets			
Fixed assets			
– Property, plant and equipment	15	**1,700,207**	2,090,063
– Interests in leasehold land held for own use under operating leases	16	**122,600**	156,275
Long-term prepaid rentals	17	**531,640**	1,007,373
Available-for-sales financial assets	19	**59,885**	42,818
Pledged bank deposits	25	**–**	255,879
		2,414,332	3,552,408
Current assets			
Inventories	22	**6,723**	2,617
Biological assets	23	**12,000**	21,640
Current portion of long-term prepaid rentals	17	**72,002**	97,370
Trade and other receivables	24	**152,673**	76,023
Financial assets at fair value through profit or loss	20	**2,879**	–
Pledged bank deposits	25	**287,231**	–
Cash and cash equivalents	26	**1,961,542**	141,715
		2,495,050	339,365
Assets classified as held for sale	21	**–**	1,715,954
		2,495,050	2,055,319
Current liabilities			
Trade and other payables	27	**215,872**	234,219
Bank and other borrowings	29	**808,202**	544,638
Income tax payable	28	**17,804**	26,178
Other financial liabilities	30	**–**	34,693
Convertible bonds	31	**568,391**	665,085
		1,610,269	1,504,813
Liabilities directly associate with assets classified as held for sale	21	**–**	17,937
		1,610,269	1,522,750

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2016

	Notes	2016 RMB'000	2015 RMB'000
Net current assets		**884,781**	532,569
Total assets less current liabilities		**3,299,113**	4,084,977
Non-current liabilities			
Deferred tax liabilities	28	**70,638**	78,420
Bank and other borrowings	29	**140,000**	517,166
		210,638	595,586
Net assets		**3,088,475**	3,489,391
Capital and reserves			
Share capital	32	**98,571**	179,575
Reserves		**2,989,904**	3,309,816
Total equity attributable to owners of the Company		**3,088,475**	3,489,391

Approved and authorised for issue by the board of directors on 26 July 2016.

Sun Shao Feng
Director

Chen Changgai
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2016

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	PRC statutory reserves RMB'000	Available-for-sale financial assets reserve RMB'000	Merger reserve RMB'000	Contribution surplus RMB'000	Convertible bonds reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 May 2014	106,277	768,899	242,642	–	14,694	–	45,164	(105,827)	2,509,992	3,581,841
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	–	1,872	–	1,872
Change in fair value of available-for-sale financial assets	–	–	–	(4,309)	–	–	–	–	–	(4,309)
Loss for the year	–	–	–	–	–	–	–	–	(269,549)	(269,549)
Total comprehensive income for the year	–	–	–	(4,309)	–	–	–	1,872	(269,549)	(271,986)
Profit appropriation to PRC statutory reserve	–	–	7,208	–	–	–	–	–	(7,208)	–
Mandatory redemption of convertible bonds	–	–	–	–	–	–	(3,296)	11	3,285	–
Issue of shares upon open offer, net of transaction cost	41,998	60,410	–	–	–	–	–	–	–	102,408
Issue of shares, net of transaction cost	31,300	45,828	–	–	–	–	–	–	–	77,128
As at 30 April 2015 and 1 May 2015	179,575	875,137	249,850	(4,309)	14,694	–	41,868	(103,944)	2,236,520	3,489,391
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	–	(54,271)	–	(54,271)
Reclassification adjustment relating to available-for-sale financial assets	–	–	–	4,309	–	–	–	–	–	4,309
Loss for the year	–	–	–	–	–	–	–	–	(961,113)	(961,113)
Total comprehensive loss for the year	–	–	–	4,309	–	–	–	(54,271)	(961,113)	(1,011,075)
Conversion of convertible bonds	45	704	–	–	–	–	–	–	–	749
Mandatory redemption of convertible bonds	–	–	–	–	–	–	(1,797)	10	1,787	–
Issue of shares upon open offer, net of transaction cost	313,232	296,178	–	–	–	–	–	–	–	609,410
Capital reduction for the year	(394,281)	–	–	–	–	394,281	–	–	–	–
As at 30 April 2016	**98,571**	**1,172,019**	**249,850**	**–**	**14,694**	**394,281**	**40,071**	**(158,205)**	**1,277,194**	**3,088,475**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 April 2016

	Notes	2016 RMB'000	2016 RMB'000	2015 RMB'000	2015 RMB'000
Operating activities					
Cash (used in)/generated from operations	26		**(54,407)**		615,661
PRC enterprise income tax paid	28(a)		**(77,449)**		(95,848)
Net cash (used in)/generated from operating activities			**(131,856)**		519,813
Investing activities					
Payments of interests in leasehold land held for own use under operating leases		**(13,767)**		–	
Payment for purchase of fixed assets		**(88,549)**		(395,156)	
Proceeds from disposals of subsidiaries, net of cash disposed		**1,519,948**		(2)	
Proceeds from disposals of property, plant and equipment		**–**		148	
Increase in available-for-sale financial assets		**(129,410)**		(47,127)	
Increase in pledged bank deposits		**398**		101,033	
Interest received		**4,037**		4,848	
Net cash generated from/(used in) investing activities			**1,292,657**		(336,256)
Financing activities					
Payment of redemption of convertible bonds		**(119,282)**		(220,655)	
Issue of shares, net of transaction cost		**–**		77,128	
Issue of shares upon open offer, net of transaction cost		**609,410**		102,408	
Increase in borrowings		**837,372**		662,342	
Repayment of borrowing		**(968,770)**		(376,026)	
Decrease in amount due to a shareholder		**–**		(2,815)	
Interest paid		**(121,903)**		(123,724)	
Net cash generated from financing activities			**236,827**		118,658
Net increase in cash and cash equivalents			**1,397,628**		302,215
Cash and cash equivalents at 1 May			**598,697**		294,842
Effect of foreign exchange rate changes			**(34,783)**		1,640
Cash and cash equivalents at 30 April			**1,961,542**		598,697
Analysis of balances of cash and cash equivalents					
Cash and cash equivalents			**1,961,542**		141,715
Cash and cash equivalents included in assets classified as held for sale			**–**		456,982
			1,961,542		598,697

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2016

1. GENERAL INFORMATION

China Green (Holdings) Limited (formerly known as China Culiangwang Beverages Holdings Limited) (the “Company”) was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and Room 1502, 15/F., The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong, respectively. The major shareholder of the Company is Capital Mate Limited, a company incorporated in British Virgin Islands.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 37 to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the 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, available-for-sale financial assets, derivative financial instruments and financial assets at fair value through profit or loss are measured at fair value.

The functional currency of the Company is Hong Kong dollars (“HK$”). The Group adopted Renminbi (“RMB”) as its presentation currency in the consolidated financial statements as most of the Group’s entities are operating in the People’s Republic of China (the “PRC”) with RMB as their functional currency and the management of the Company control and monitor the performance and financial position of the Group by using RMB. All values are rounded to nearest thousand (RMB’000) except otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation

In preparing the consolidated financial statements, the Directors of the Company have given consideration to the future liquidity of the Group. The convertible bonds with an outstanding principal amount of approximately RMB568,391,000 had been matured on 12 April 2016 (the "Convertible Bonds").

On 10 June 2016, the bondholder of not less than 75% in the outstanding principal of the Convertible Bonds signed a standstill agreement (the "Standstill Agreement") with the Company pursuant to which the parties agreed that, conditional upon the trustee of the Convertible Bonds having received from the Company (i) all outstanding fees and expenses due and payable to the trustee under the terms of the constitution documents of the Convertible Bonds; (ii) the unpaid accrued interest in respect of the Convertible Bonds that was due to be paid on the maturity date and accrued interest from the maturity date to the date of the standstill agreement; and (iii) 25% of the principal amount of the Convertible Bonds that was due to be redeemed on the maturity date, the bondholders shall, amongst others, not exercise or direct the trustee to exercise any right or remedy that the bondholders or the trustee would otherwise be entitled to exercise pursuant to the constitutional documents of the Convertible Bonds up to 31 August 2016. The Standstill Agreement subsequently became effective on 22 June 2016.

On 20 May 2016, the Company entered into a placing agreement with the placing agents to procure placees to subscribe for 5,750,000,000 placing shares at a price of HK$0.10 each (the "Placing of Shares"). The Company intends to use the net proceeds from the Placing of Shares for redemption of the Convertible Bonds.

In light of the Standstill Agreement and the Placing of Shares, the Directors of the Company are of the view that the Group has a realistic probability of successfully repaying the Convertible Bonds in full before the expiry of the Standstill Agreement. Furthermore, as at 30 April 2016, cash and cash equivalents amounted to RMB1,961,542,000, which was more than the total liabilities of RMB1,820,907,000 (including Convertible Bonds). The Directors considered that the reason for the delay in repayment of Convertible Bonds was primarily due to PRC foreign exchange remittance restrictions affecting the Company's ability to remit funds offshore rather than a lack of funds. Accordingly, the financial statements have been prepared on a going concern basis. However, if the Placing of Shares and the remittance of funds mentioned above become unsuccessful, the Group may not be able to repay the Convertible Bonds and its other obligations as and when they become due. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify certain assets and liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

The principal accounting policies are set out below.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

– buildings held for own use which are situated on leasehold land classified as held underoperating leases; and

– other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Buildings	$3^{1}/_{3}$%-6% p.a. or over the term of the lease if shorter
Infrastructure on cultivation bases	5%-20% p.a. or over the lease terms
Leasehold improvements	5%-20% p.a. or over the lease terms
Machinery	5%-10% p.a.
Furniture, fixtures and office equipment	5%-20% p.a.
Motor vehicles	20%-30% p.a.

No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amount due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

The cost of acquiring land held under an operating lease and long-term prepaid rental are amortised on a straight-line basis over the period of the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

(i) Impairment of financial assets

Financial assets that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

(i) Impairment of financial assets (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– Property, plant and equipment;

– Interests in leasehold land held for own use under operating leases;

– Long-term prepaid rentals;

– Deposits paid for acquisition of fixed assets; and

– Investments in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying value that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of processing agricultural produce, labour and indirect overheads, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value thought profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into the following specified categories: including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sales financial assets ("AFS"). All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The accounting policies adopted in respect of financial assets are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on effective basis for debt instruments other than financial assets classified as at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loan and receivables (including trade and other receivable, pledged bank deposits and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including trade and other payables, bank and other borrowings and convertible bonds) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense as recognised on an effective interest basis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset expire, or when financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial asset to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated statements of profit or loss and other comprehensive income.

Financial liabilities are removed from the Group's consolidated statements of financial position when the obligations specified in the relevant contract are discharged cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statements of profit or loss and other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as loans and receivables.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss.

Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment loss at the end of each reporting period (see accounting policy on impairment loss on financial assets below).

Financial assets are classified as at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets are classified as at FVTPL (continued)

A financial asset other than a financial asset held for trading may be designed as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Biological assets

Biological assets are the growing crops of the Group on the cultivation bases. Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period. The fair value of biological assets is determined based on the current market price with reference to the species, growing condition, cost incurred and expected yield of the crops.

The agricultural produce is initially measured at fair value less costs to sell at the time of harvest. The fair value of agricultural produce is determined based on market prices in the local market. The fair value less costs to sell at the time of harvest is deemed as the cost of agricultural produce for further processing.

The gain or loss arising on initial recognition of biological assets at fair value less costs to sell and from a change in fair value less costs to sell of biological assets shall be included in profit or loss for the period in which it arises.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Convertible bonds

Convertible bonds that can be converted into equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognized as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible bonds reserve until either the bond is converted or redeemed.

If the convertible bond is converted, the convertible bonds reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the convertible bond is redeemed, the convertible bonds reserve is released directly to retained profits.

When the convertible bond is extinguished before maturity through an early redemption or repurchase where the original conversion privileges are unchanged, the consideration paid and any transaction costs for the redemption or repurchase are allocated to the liability component and equity component using the same allocation basis as when the convertible bond was originally issued. Once the allocation of consideration and transaction costs is made, any resulting gain or loss relating to the liability component is recognised in profit or loss and the amount of consideration relating to equity component is recognised in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Derivatives are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, pledged bank deposits, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

(ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based compensation reserve within equity. The fair value is measured at grant date using the binomial option pricing model (the "Binomial Model"), taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires or is forfeited (when it is released directly to retained profits).

Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed. Revenue is net of value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit of or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties transactions

A party is considered to be related to the Group if:

(a) A person, or closed member of that person's family, is related to the Group if that person:

(i) has control or joint control over, the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be inflecting by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

When operation is classified as discontinued, a single amount is presented on the face of the profit or loss, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") (which included all HKFRSs, HKASs and interpretations) issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 May 2015. A summary of the new and revised HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The application of the above amendments to HKFRSs and HKAS in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in the Group's consolidated financial statements.

In addition, the Company has adopted the amendments to the Listing Rules relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the reporting period. The main impact on the financial statements is the presentation and disclosure of certain information in the financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective in the consolidated financial statement:

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
HKFRS 9	Financial Instruments[2]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39[4]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[5]
HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2018, with earlier application permitted.

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group.

4 No mandatory effective date is determined but is available for early adoption.

5 Effective for annual periods beginning on or after 1 January 2019.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The Directors anticipate that the adoption of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) Investment Entities: Applying the Consolidation Exception

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

The Directors do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKFRS 10:

– An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

– New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to HKAS 28:

– The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

– A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

– A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (continued)

The Directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 11 Accounting for Acquisition of Interests in Joint Operation

HKFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The directors do not anticipate that the application of the amendments to HKFRS 11 will have a significant impact on the Group's consolidated financial statements.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous Generally Accepted Accounting Principles ("GAAP") requirements when they adopt HKFRS. However, to enhance comparability with entities that already apply HKFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents HKFRS financial statements is not eligible to apply the standard. The directors do not anticipate that the application of HKFRS 14 will have a significant impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

HKFRS 15 is effective for annual periods beginning on or after 1 January 2017 with earlier application permitted.

The Directors do not anticipate that the application of these will have material effect on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede Hong Kong Accounting Standard ("HKAS") 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flow. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company considered that it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The amendments can be applied immediately and become mandatory for annual periods beginning on or after 1 January 2016.

The Directors do not anticipate that the application of those amendments to HKAS 1 will have significant impact on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

HKAS 16 and HKAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefit of an asset. The amendments clarify that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41. The Directors considered that it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted. The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have significant impact on the Group's consolidated financial statements.

4. TURNOVER

During the year ended 30 April 2016, the Group was principally engaged in the growing, processing and sales of agricultural products, production and sales of consumer food products ("continuing operations"), and production and sales of beverage products ("discontinued operations").

Turnover of continuing operations 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:

	2016	2015
	RMB'000	RMB'000
Continuing operations		
Fresh produce and processed products	**378,883**	364,520
Branded food products and others	**28,097**	156,574
	406,980	521,094

5. OTHER REVENUE AND OTHER LOSSES

(a) Other revenue

	2016	2015
	RMB'000	RMB'000
Continuing operations		
Interest income on financial assets not at fair value through profit or loss		
– interest income from banks	**5,034**	11,245
Rental income	**867**	1,166
Government grant received (Note i)	**6,717**	1,894
Sundry income	**1,105**	610
	13,723	14,915

5. OTHER REVENUE AND OTHER LOSSES (continued)

(a) Other revenue (continued)

Note:

(i) PRC government grant represents various form of subsidies granted to the Group by the local government authorities in PRC for compensation of expenses incurred by the Group. These grants are generally made for business support and awarded to the enterprises on a discretion basis. There are no unfulfilled conditions or contingencies relating to these government grants recognised for both years.

(b) Other losses

	2016 RMB'000	2015 RMB'000
Continuing operations		
Impairment loss recognised on available-for-sales financial assets	**115,280**	–
Net loss on financial assets at fair value through profit or loss	**7,143**	–
Loss on redemption of convertible bonds	**1,234**	4,675
	123,657	4,675

6. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

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

	2016 RMB'000	2015 RMB'000
Continuing operations		
(a) Finance costs		
Interest on borrowings wholly repayable within five years		
– interest on convertible bonds	**70,740**	103,798
– interest on other borrowing	**12,475**	3,690
– interest on bank borrowings	**35,235**	43,168
	118,450	150,656
(b) Staff costs		
Contributions to defined contribution retirement plans	**4,234**	5,308
Salaries, wages and other benefits	**64,598**	88,278
	68,832	93,586
(c) Other items		
Amortisation of land lease premium	**3,472**	3,739
Amortisation of long-term prepaid rentals	**98,937**	104,777
Depreciation of property, plant and equipment	**119,892**	127,294
Operating lease charges: minimum lease payment		
– property rentals	**663**	597
Research and development expenses	**–**	533
Auditors' remuneration		
– audit services	**1,500**	1,742
– other services	**2,138**	700
Cost of inventories sold	**349,613**	426,790
Net foreign exchange loss	**304**	465
Loss on disposal of property, plant and equipment	**61,615**	25,896
Loss on disposal of land lease premium	**1,367**	–

7. INCOME TAX (RELATING TO CONTINUING OPERATIONS)

Continuing operations

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

	2016 **RMB'000**	2015 RMB'000
Current tax – Enterprise Income Tax in the PRC		
– Provision for the year (Note)	**706**	5,616
Deferred tax		
Origination and reversal of temporary differences (Note 28(b))	**(7,782)**	(7,080)
Total income tax credit recognised in profit or loss	**(7,076)**	(1,464)

Note:

During the years ended 30 April 2016 and 2015, provision of income tax amounting to approximately RMB68,369,000 and RMB90,903,000 had been reclassified as discontinued operation respectively.

(i) 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.

In accordance with the relevant PRC tax rules and regulations, certain of the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax for two consecutive years from their first profit making year, and are entitled to a 50% relief on the PRC Enterprise Income Tax for the following three years ("Tax Holidays"). Pursuant to the transitional arrangement under the new tax law passed by the Fifth Plenary Session of the Tenth National People's Congress on 16 March 2007 which took effect on 1 January 2008 (the "New Tax Law"), certain PRC subsidiaries will continue to enjoy the tax-exemption or 50% relief on the applicable PRC Enterprise Income tax rate under the New Tax Law until the expiry of the Tax Holidays previously granted, and thereafter they are subject to a unified rate of 25%. For those enterprises whose Tax Holidays had not commenced prior to 1 January 2008 due to lack of taxable profit before then, such preferential tax treatment commenced from 1 January 2008.

7. INCOME TAX (RELATING TO CONTINUING OPERATIONS) (continued)

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

(i) PRC Enterprise Income Tax (continued)

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.

(ii) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax for the years ended 30 April 2016 and 2015 has been made as the Group has no estimated assessable profits arising in Hong Kong for both years.

(iii) Other Income Tax

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in Bermuda or the BVI.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2016		2015	
	RMB'000	%	RMB'000	%
Loss before taxation (from continuing operations)	(1,420,676)		(449,488)	
Notional tax on loss before taxation, calculated at rates applicable to loss in the countries concerned	(332,451)	(23.4)	(97,633)	(21.7)
Tax effect of operating loss of Group companies not subject to income tax	54,112	3.8	29,622	6.6
Tax effect of non-taxable income	(8,095)	(0.1)	(8,681)	(2.0)
Tax effect of profit exempted from income tax as a result of tax benefit	(5,712)	(0.4)	(5,768)	(0.7)
Tax effect of unused tax losses not recognised	48,696	3.4	23,500	5.2
Tax effect of non-deductible expenses	236,374	16.6	57,496	12.8
Taxation credit (relating to continuing operations)	(7,076)	(0.1)	(1,464)	0.2

8. DISCONTINUED 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 ("Equity Transfer Agreement"), pursuant to which CCBSL conditionally agreed to acquire, and Xiamen Company conditionally agreed to sell, the entire equity interest in 廈門粗粮王飲品科技有限公司 (Xiamen Culiangwang Beverage Technology Co., Ltd*) (the "Target Company"). The consideration for the disposal, which is based on the agreed enterprise value of US$400.5 million (subject to adjustment) (equivalent to approximately RMB2,483.1 million) of the Target Company, will be paid by CCBSL in cash in accordance with the Equity Transfer Agreement.

On 29 February 2016, the Company and other relevant parties have entered into an amended and restated equity transfer agreement (the "Amended and Restated Equity Transfer Agreement") to amend certain terms of the Equity Transfer Agreement. For the information of the Amended and Restated Equity Transfer Agreement, please refer to Note 33.

The disposal of the Group's beverage business operations (but excluding porridge or congee and beverage products in powder form) ("Disposed Business") 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 consider 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 after the disposal. The disposal was completed on 23 March 2016.

Analysis of profit for the year from discontinued operations

The results of the discontinued operations included in the profit for the year are set out below.

8. DISCONTINUED OPERATIONS (continued)

Profit for the year from discontinued operations

	2016 RMB'000	2015 RMB'000
Turnover	**1,220,693**	1,421,750
Cost of sales	**(802,006)**	(881,236)
Gross profit	**418,687**	540,514
Other revenue	**17,232**	4,809
Impairment loss recognised on property, plant and equipment (Note)	**(363,299)**	–
Impairment loss recognised on deposits for purchase of property, plant and equipment (Note)	**(264,493)**	–
Selling and distribution expenses	**(222,857)**	(233,243)
General and administrative expenses	**(65,595)**	(35,987)
(Loss)/profit from operations	**(480,325)**	276,093
Finance costs	**(26,775)**	(6,715)
(Loss)/profit before taxation	**(507,100)**	269,378
Income tax expense	**(68,369)**	(90,903)
	(575,469)	178,475
Gain on disposal of subsidiaries	**1,027,956**	–
Profit for the year from discontinued operations attributable to owners of the Company	**452,487**	178,475

Note:

The Group carried out a series of restructuring steps to consolidate the disposed business under the Target Company pursuant to the restructuring agreement before the completion of the Disposal. Some of the tangible assets related to the branded beverage businesses were not included in the disposal group sold to the buyer. Also, in accordance to the Amended and Restated Equity Transfer Agreement, the Group is prohibited from engaging in the beverage business for 5 years upon the completion of disposal of Xiamen Culiangwang Beverage Technology Co., Ltd to Coca-Cola Beverages (Shanghai) Company Limited. In view of the above factor and other factors such as the present conditions of property, plant and equipment and the future strategic development of the Group, the carrying amounts of property, plant and equipment, and deposits on purchase of property, plant and equipment in relation to the beverage business would not be recovered and therefore impairment loss should be recognised.

During the year ended 30 April 2016, the property, plant and equipment and deposits on purchase of property, plant and equipment of approximately RMB363,299,000 and RMB264,493,000 impairment loss have been recognised respectively due to above mentioned reasons.

8. DISCONTINUED OPERATIONS (continued)

Profit for the year from discontinued operations (continued)

Profit for the year from discontinued operations include the following:

	2016 RMB'000	2015 RMB'000
Depreciation and amortisation	39,774	52,336
Auditors' remuneration	–	–
Cash flows from discontinued operations		
Net cash inflows from operating activities	224,261	292,916
Net cash (outflows)/inflows from investing activities	(93,482)	61,135
Net cash inflows/(outflows) to financing activities	83,225	(6,714)
Net cash inflows	214,004	347,337

The beverage business has been classified and accounted for at 30 April 2015 as a disposal group held for sale (see Note 21).

9. DIRECTORS' REMUNERATION

The emolument paid or payable to each of the directors and the chief executive officer are as follows:

	For the year ended 30 April 2016				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement scheme contributions RMB'000	Discretionary bonuses RMB'000	Total RMB'000
Chief executive officer and executive director					
Sun Shao Feng	–	4,903	8	2,462	7,373
Executive director					
Chen Changgai	–	1,759	8	123	1,890
Independent non–executive directors					
Hu Ji Rong	101	–	–	–	101
Zeng Shaoxiao	101	–	–	–	101
Wei Xiongwen	101	–	–	–	101
Yu Xiao Min (appointed on 1 July 2015)	90	–	–	–	90
	393	6,662	16	2,585	9,656

9. DIRECTORS' REMUNERATION (continued)

	For the year ended 30 April 2015				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement scheme contributions RMB'000	Discretionary bonuses RMB'000	Total RMB'000
Chief executive officer and executive director					
Sun Shao Feng	–	1,818	8	152	1,978
Executive director					
Chen Changgai	–	775	8	65	848
Independent non–executive directors					
Hu Ji Rong	79	–	–	–	79
Zheng Baodong (Resigned on 18 August 2014)	30	–	–	–	30
Zeng Shaoxiao (appointed on 18 August 2014)	50	–	–	–	50
Wei Xiong Wen	79	–	–	–	79
	238	2,593	16	217	3,064

No directors of the Company had waived or agreed to waive any emoluments and no emoluments was paid or payable by the Group to any of the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 30 April 2016 and 2015.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Five highest paid individuals

Of the five individuals with highest emoluments, two (2015: two) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other three (2015: three) individuals are as follows:

	2016	2015
	RMB'000	RMB'000
Salaries and other emoluments	**2,141**	2,499
Discretionary bonuses	**98**	182
Retirement scheme contributions	**32**	28
	2,271	2,709

The emoluments of the three (2015: three) individuals with the highest emolument are within the following bands:

	Number of individuals	
	2016	2015
HK$		
Nil-1,000,000	**2**	1
1,000,001-1,500,000	**–**	1
1,500,001-2,000,000	**1**	1
	3	3

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

(b) Senior management of the Company

Included in the five highest paid individuals, there are individuals of senior management, who are not directors.

The emoluments of the senior management of the Company are within the following bands:

	Number of individuals	
	2016	2015
HK$		
Nil-1,000,000	**5**	1
1,000,001-1,500,000	**–**	1
1,500,001-2,000,000	**–**	1
	5	3

There were no amounts paid to any of the highest paid employees and senior management as an inducement to join or upon joining the Group, or as compensation for loss of office during the year ended 30 April 2016 and 2015.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 April 2016 (2015: Nil).

12. LOSS PER SHARE

From continuing and discontinued operations

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB961,113,000 for the year ended 30 April 2016 (year ended 30 April 2015: loss of RMB269,549,000) and the weighted average number after adjustments of partial exercise of the conversion rights under the Convertible Bonds in May 2015 and open offer of shares in July 2015 and the share consolidation completed on 25 November 2015 of 1,086,430,342 ordinary shares (2015: 675,269,506 ordinary shares (restated)) in issue during the year.

For the year ended 30 April 2015, the weighted average number of ordinary shares for the purpose of basic loss per share has been restated and adjusted with the effect of open offer of shares and share consolidation which were occurred during the current year.

(i) Loss attributable to owners of the Company

	2016 **RMB'000**	2015 RMB'000
Loss attributable to owners of the Company used to determine diluted loss per share	**(961,113)**	(269,549)

	Number of ordinary shares	
	2016	2015 (Restated)
Weighted average number of ordinary shares for calculation of diluted loss per share	**1,086,430,342**	675,269,506

12. LOSS PER SHARE (continued)

From continuing and discontinued operations (continued)

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2015 and 2016 was the same as the basic loss per share. There were no outstanding share options as at 30 April 2015 and 2016.

During the year ended 30 April 2016 and 2015, 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.

The weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share for the year ended 30 April 2015 have been adjusted and restated to reflect the open offer and share consolidation.

From continuing operations

(a) 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

	2016 **RMB'000**	2015 RMB'000
Loss attributable to owners of the Company used to determine diluted loss per share	**(961,113)**	(269,549)
Less: Profit for the year from discontinued operations attributable to the owners of the Company	**(452,487)**	(178,475)
	(1,413,600)	(448,024)

(b) Diluted loss per share

Diluted loss per share for the year ended 30 April 2015 and 2016 was the same as the basic loss per share. There were no outstanding share options as at 30 April 2015 and 2016.

During the year ended 30 April 2015 and 2016, 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.

12. LOSS PER SHARE (continued)

From continuing operations (continued)

(b) Diluted loss per share (continued)

The denominators as detailed above were the same as those for both basic and diluted loss per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share from the discontinued operations is RMB41.65 cents per share (2015: RMB26.43 cents per share (restated)) based on the profit for the year from discontinued operations of RMB452,487,000 (2015: RMB178,475,000) and the denominators detailed above for both basic and diluted earnings per share.

13. EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately.

In addition, the Group's subsidiaries in the PRC participate in a defined contribution retirement scheme organised by the PRC municipal government. These subsidiaries are required to make contributions to the scheme.

Save as disclosed above, the Group has no other obligations to make payments in respect of retirement benefits of the employees during the year.

For the year ended 30 April 2016, the Group's retirement plan contributions amounted to approximately RMB6,805,000 (2015: RMB7,651,000).

14. 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 resource allocation and performance assessment, the Group has identified the following three 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.

14. SEGMENT REPORTING (continued)

Beverage business operations was discontinued in the current year. The segment information reported on the next pages does not include any amounts for the discontinued operation, which are described in more detail in note 8.

(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 2016 and 2015 is set out below:

Segment assets include all current and non-current assets with the exception of investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade and other payables attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment (loss)/profit is "adjusted operating (loss)/profit". To arrive at "adjusted operating (loss)/profit", the Group's (loss)/profit is adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs. Taxation charge is not allocated to reportable segment profit. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

14. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

	Continuing operations					
	Fresh produce and processed products		Branded food products and others		Total	
	2016 RMB'000	2015 RMB'000	**2016 RMB'000**	2015 RMB'000	**2016 RMB'000**	2015 RMB'000
Revenue from external customers	**378,035**	364,520	**28,945**	156,574	**406,980**	521,094
Inter-segment revenue	**54,355**	63,856	**931**	124	**55,286**	63,980
Reportable segment revenue	**432,390**	428,376	**29,876**	156,698	**462,266**	585,074
Reportable segment (loss)/profit	**(732,907)**	(170,437)	**(42,340)**	2,760	**(775,247)**	(167,677)
Interest income	**403**	720	**1**	22	**404**	742
Depreciation and amortisation	**196,422**	194,104	**12,733**	25,187	**209,155**	219,291
Income tax	**633**	382	**73**	23	**706**	405
Reportable segment assets	**3,580,803**	3,116,709	**26,255**	131,910	**3,607,058**	3,248,619
Fair value change on biological assets	**5,073**	(5,745)	**–**	–	**5,073**	(5,745)
Finance cost	**4,591**	300	**174**	1,299	**4,765**	1,599
Impairment loss recognised on property, plant and equipment	**216,147**	38,994	**–**	–	**216,147**	38,994
Impairment loss recognised on interest in leasehold land held for own use under operating leases	**27,665**	2,715	**486**	–	**28,151**	2,715
Impairment loss recognised on long-term prepaid rentals	**373,288**	128,212	**28,875**	–	**402,163**	128,212
Additions to non-current assets during the year	**11,420**	118,236	**4**	63,335	**11,424**	181,571
Reportable segment liabilities	**381,315**	395,973	**3,055**	10,137	**384,370**	406,110

14. SEGMENT REPORTING (continued)

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

	2016 RMB'000	2015 RMB'000
Revenue		
Reportable segment revenue	**462,266**	585,074
Elimination of inter-segment revenue	**(55,286)**	(63,980)
Consolidated turnover for continuing operations	**406,980**	521,094

14. SEGMENT REPORTING (continued)

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

	2016 RMB'000	2015 RMB'000
Profit or loss		
Reportable segment loss derived from Group's external customers	**(775,247)**	(167,677)
Finance costs	**(113,685)**	(149,057)
Finance income	**4,630**	10,503
Loss on disposal of a subsidiary	**–**	(14,036)
Other revenue	**44,956**	3,376
Impairment loss recognised on available-for-sales financial assets	**(115,280)**	–
Net loss on financial assets at fair value through profit or loss	**(7,143)**	–
Unallocated depreciation and amortisation	**(13,146)**	(16,518)
Unallocated head office and corporate expenses	**(444,527)**	(111,404)
Loss on redemption of convertible bonds	**(1,234)**	(4,675)
Consolidated loss before taxation (continuing operations)	**(1,420,676)**	(449,488)
Assets		
Reportable segment assets	**3,607,058**	3,248,619
Assets relating to beverage business operations (now discontinued)	**–**	1,715,954
	3,607,058	4,964,573
Unallocated head office and corporate assets:		
– Fixed assets	**131,523**	332,692
– Pledged bank deposit	**255,481**	255,879
– Cash and cash equivalents	**713,701**	32,150
– Other assets	**201,619**	22,433
Consolidated total assets	**4,909,382**	5,607,727

14. SEGMENT REPORTING (continued)

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

	2016 RMB'000	2015 RMB'000
Liabilities		
Reportable segment liabilities	**384,370**	406,110
Liabilities relating to beverage business operations	**–**	17,937
Convertible bonds	**568,391**	665,085
Deferred tax liabilities	**70,638**	78,420
Borrowings	**446,702**	563,462
Unallocated head office and corporate liabilities	**350,806**	387,322
Consolidated total liabilities	**1,820,907**	2,118,336

(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 and long-term prepaid rentals ("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	
	2016 RMB'000	2015 RMB'000	**2016 RMB'000**	2015 RMB'000
The PRC (place of domicile)				
– Sales to import/export companies in the PRC	**–**	4,709		
– Sales to other customers in the PRC	**406,980**	516,385		
	406,980	521,094	**2,354,135**	3,508,927

(d) Information about major customers

No major customer contributed 10% or more to the Group's revenue for the years ended 30 April 2016 and 2015.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings (Notes i and iv) RMB'000	Infrastructure on cultivation bases RMB'000	Leasehold improvement RMB'000	Machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction-in-progress (Note ii) RMB'000	Total RMB'000
Cost:								
At 1 May 2014	621,569	759,510	78,673	954,040	29,741	9,829	1,506,526	3,959,888
Exchange realignment	–	–	–	–	(5)	–	–	(5)
Additions	–	130,417	–	13	429	250	264,047	395,156
Disposals	–	(117,954)	–	(1,959)	(710)	–	–	(120,623)
Eliminated on disposal of a subsidiary	–	–	–	(33,531)	–	–	–	(33,531)
Reclassified to assets held for sales	(174,842)	–	(2,000)	(467,361)	(3,210)	(4,460)	(386,620)	(1,038,493)
At 30 April 2015 and 1 May 2015	446,727	771,973	76,673	451,202	26,245	5,619	1,383,953	3,162,392
Exchange realignment	–	–	–	–	3	–	–	3
Additions	–	1,200	–	–	322	2,398	3,867	7,787
Transfer	23,960	250,000	–	–	–	–	(273,960)	–
Disposals	(340)	(292,240)	–	(1,646)	(149)	–	(3,992)	(298,367)
At 30 April 2016	470,347	730,933	76,673	449,556	26,421	8,017	1,109,868	2,871,815
Accumulated depreciation and impairment loss:								
At 1 May 2014	175,961	478,718	63,916	463,951	20,734	5,576	–	1,208,856
Exchange realignment	–	–	–	–	(3)	–	–	(3)
Charge for the year	24,510	72,012	6,300	72,874	1,856	828	–	178,380
Impairment loss recognised in profit or loss	6,462	29,737	–	2,217	576	2	–	38,994
Eliminated on disposal assets	–	(92,506)	–	(1,609)	(464)	–	–	(94,579)
Eliminated on disposal of a subsidiary	–	–	–	(19,502)	–	–	–	(19,502)
Reclassified to assets held for sales	(33,204)	–	(2,000)	(200,000)	(2,714)	(1,899)	–	(239,817)
At 30 April 2015 and 1 May 2015	173,729	487,961	68,216	317,931	19,985	4,507	–	1,072,329
Exchange realignment	–	–	–	–	(8)	–	–	(8)
Charge for the year	20,224	68,542	6,300	23,532	692	602	–	119,892
Impairment loss recognised in profit or loss	44,848	54,329	–	15,508	164	61	101,237	216,147
Eliminated on disposal assets	(282)	(234,828)	–	(1,602)	(40)	–	–	(236,752)
At 30 April 2016	238,519	376,004	74,516	355,369	20,793	5,170	101,237	1,171,608
Carrying amount:								
At 30 April 2016	**231,828**	**354,929**	**2,157**	**94,187**	**5,628**	**2,847**	**1,008,631**	**1,700,207**
At 30 April 2015	272,998	284,012	8,457	133,271	6,260	1,112	1,383,953	2,090,063

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) All of the Group's buildings are located in the PRC.

(ii) Analysis of construction-in-progress is as follows:

	2016 RMB'000	2015 RMB'000
Construction cost of building structure	**52,108**	75,902
Cost of machinery pending installation	**7,394**	11,751
Infrastructure	**949,129**	1,296,300
	1,008,631	1,383,953

The capital expenditure of infrastructure on cultivation bases included developing the road work, water supply, drainage system and for soil improvement of the farmland which stated in Note 17.

(iii) Impairment loss recognised in the current year

As a result of the continuing decline of the financial performance of the Group's fresh produce and processed products segment for the year ended 30 April 2016 and 2015. The Group carried out a review of the recoverable amount that the property, plant and equipment. Please refer to note 18 for details.

During the year, the impairment loss recognised on property, plant and equipment of approximately RMB216,147,000 (2015: RMB38,994,000) which are located in PRC. The impairment losses have been included in the consolidated statement of profit or loss and other comprehensive income.

(iv) Buildings with a carrying amount of approximately RMB206,382,000 (2015: RMB384,068,000) have been pledged to secure banking facilities granted to the Group.

16. INTERESTS IN LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES

	2016 RMB'000	2015 RMB'000
Cost:		
At 1 May	**219,178**	279,183
Additions	**6,504**	–
Transfer	**(6,504)**	–
Disposal of assets	**(1,712)**	–
Reallocated to assets classified as held for sales	**–**	(60,005)
At 30 April	**217,466**	219,178
Accumulated amortization and impairment loss:		
At 1 May	**59,942**	59,760
Amortisation for the year (Note 6(c))	**3,472**	4,989
Impairment loss recognised in profit or loss	**28,151**	2,715
Disposal of assets	**(345)**	–
Reallocated to assets classified as held for sales	**–**	(7,522)
At 30 April	**91,220**	59,942
Carrying amount:		
At 30 April	**126,246**	159,236

As at 30 April 2016, the non-current portion of interests in leasehold land held for own use under operating leases is approximately RMB122,600,000 (2015: RMB156,275,000).

Leasehold land is situated in the PRC and held on medium-term lease.

16. INTERESTS IN LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES (continued)

(i) Impairment loss recognised in the current year

As a result of the continuing decline of the financial performance of the Group's fresh produce and processed products segment for the year ended 30 April 2016 and 2015, the Group carried out a review of the recoverable amount that the interests in leasehold land held for own use under operating leases. Please refer to note 18 for details.

During the year, the impairment loss recognised on interests in leasehold land held for own use under operating leases of approximately RMB28,151,000 (2015: RMB2,715,000) which are located in PRC.

(ii) Interests in leasehold land with a carrying amount of approximately RMB6,509,000 (2015: RMB85,121,000) have been pledged to secure banking facilities granted to the Group.

17. LONG-TERM PREPAID RENTALS

This represents the prepayment of long-term rentals of cultivation bases as at the end of the reporting period under operating leases in the PRC. The lease terms ranged from 1 year to 31 years. The movement of the long-term prepaid rentals is summarised as follows:

	2016 RMB'000	2015 RMB'000
Cost:		
At 1 May	**1,784,632**	1,962,632
Disposal	**(689,400)**	(178,000)
At 30 April	**1,095,232**	1,784,632
Accumulated amortisation and impairment loss:		
At 1 May	**679,889**	624,971
Amortisation for the year (Note 6(c))	**98,937**	104,777
Impairment loss recognised in profit or loss	**402,163**	128,212
Written back on disposal	**(689,399)**	(178,071)
At 30 April	**491,590**	679,889

17. LONG-TERM PREPAID RENTALS (continued)

	2016 RMB'000	2015 RMB'000
Carrying amount:		
At 30 April	**603,642**	1,104,743

Analysis of long-term prepaid rentals is as follows:

	2016 RMB'000	2015 RMB'000
Non-current portion	**531,640**	1,007,373
Current portion	**72,002**	97,370
Carrying amount at 30 April	**603,642**	1,104,743

Notes:

Impairment loss recognised for the year

(i) As a result of the continuing decline of the financial performance of the Group's fresh produce for the year ended 30 April 2016 and 2015, the Group carried out a review of the recoverable amount that the long-term prepaid rentals. Please refer to note 18 for details.

The impairment loss recognised on long-term prepaid rentals of approximately RMB70,811,000 (2015: RMB42,777,000) which are located in PRC. The impairment losses have been included in the consolidated statement of profit or loss and other comprehensive income.

(ii) During the year ended 30 April 2016, the Group had entered into withdrawal agreements with local governments in relation to withdraw certain portion of prepaid farmland located in Fujian, Jiangxi and Hubei provinces. After negotiation with the local governments, the prepaid rental of approximately RMB331,352,000 (2015: RMB85,364,000) is not probably recoverable. Therefore, the impairment loss recognised on the withdrawal of farmlands was RMB331,352,000 (2015: RMB85,364,000) and have been included in the consolidated statement of profit or loss and other comprehensive income.

18. IMPAIRMENT TESTING ON CASH GENERATING UNIT

During the year, the continuing decline of the financial performance of the Group's fresh produce and processed products segment (Cash Generating Units the "CGUs") was mainly due to the decline in sales domestically. As a result of the continuing decline of the financial performance, the Group considered that there was an indication that the assets of the fresh produce and processed products may be impaired. The review was performed by an independent qualified valuer as at 30 April 2016 and 2015 and the values in use of the CGUs have been measured by using cash flow projections based on the cash flows covering a five year period with discount rate and terminal growth rate of 12.17% (2015: 12.18%) and 3% (2015: 3%) respectively.

The key assumptions included in the cash flow projection were as followings:

(a) the Group's business transformation continued with an aim to transform the Group from being a pure agricultural company to a company producing various products such as multi-grain related products and therefore the Group is planning to suspend the operation of certain inefficient assets in this cash generating unit; and

(b) the sales focus will be transformed from overseas to domestic.

The impairment loss of approximately RMB315,109,000 (2015: RMB84,486,000) was allocated to each individual assets of the Cash Generating Unit pro rata on the basis of the carrying amounts of each asset in Cash Generating Unit. The amount was allocated as follows:

	2016	2015
	RMB'000	RMB'000
Property, plant and machinery (Note 15)	**216,147**	38,994
Long term prepaid rentals (Note 17)	**70,811**	42,777
Interests in leasehold land held for own use under operating leases (Note 16)	**28,151**	2,715
	315,109	84,486

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 RMB'000	2015 RMB'000
Listed investments:		
Equity securities listed in Hong Kong, at fair value (note i)	**53,208**	42,818
Unlisted investments:		
Equity securities unlisted in Hong Kong, at cost	**6,677**	–
	59,885	42,818

Notes:

(i) As at 30 April 2016, they were mainly composed of shares listed on the Stock Exchange of Hong Kong Limited. All companies are not regarded as associates of the Group as the Group does not have significant influence nor participate in the policy-making and the operation and no right to appoint directors of these four companies. The fair values of the listed investments are determined by reference to the quoted market bid prices available on the Stock Exchange.

The impairment loss of approximately RMB115,280,000 was recognised and have been included in the other losses of the consolidated statement of profit and loss and other comprehensive income for the year ended 30 April 2016 (2015: RMB4,309,000 in the other comprehensive income of the consolidated statement of profit and loss and other comprehensive income) as the market price of the listed investments as at 30 April 2016 are significantly less than their costs.

(ii) During the year, the impairment loss in respect of the Group's available-for-sales financial assets recognised in the other losses of the consolidated statement of profit or loss and other comprehensive income amounted to RMB115,280,000, of which RMB4,309,000 was reclassified from other comprehensive income.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 RMB'000	2015 RMB'000
Listed investments:		
Equity securities listed in Hong Kong	**2,879**	–

The fair values of the listed equity securities are determined based on the quoted market bid prices available on The Stock Exchange of Hong Kong Limited.

21. ASSETS CLASSIFIED AS HELD FOR SALE

As describe in note 8, the Group's beverage business has been disposed. The fair value less cost to sell of business was higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as for sale nor as at 30 April 2015. The disposal of the beverage business was completed on 23 March 2016. The major classes of assets and liabilities of the beverage business as at 30 April 2015 are 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	1,698,017

As at 30 April 2015, property, plant and equipment and pledged bank deposits with carrying amounts of approximately RMB82,186,000 and RMB31,750,000 had been pledged to secure banking facilities granted to the Group respectively.

22. INVENTORIES

	Note	2016 RMB'000	2015 RMB'000
Raw materials	(i)	**5,527**	1,899
Agricultural materials	(ii)	**256**	260
Consumable and packing materials	(iii)	**–**	138
Finished goods		**940**	320
		6,723	2,617

Notes:

(i) Raw materials mainly comprise uncooked rice and rice flour purchased for further processing and resale purpose.

(ii) Agricultural materials include seeds, fertilisers, pesticides and processing materials not yet consumed as at the end of the reporting period.

(iii) Consumable and packing materials include office materials, packing materials and other consumable materials not yet consumed as at the end of the reporting period.

(iv) As at 30 April 2015, inventories of approximately RMB45,529,000 have been reclassified to assets classified as held for sale (note 21).

23. BIOLOGICAL ASSETS

(a) Reconciliation of carrying amount of the Group's biological assets:

	2016 RMB'000	2015 RMB'000
At 1 May	**21,640**	13,267
Gain arising from changes in fair value less costs to sell	**20,363**	59,160
Increase due to plantation	**252,876**	274,336
Decrease due to harvest	**(282,879)**	(325,123)
At 30 April	**12,000**	21,640

(b) The Group's biological assets represent the growing vegetables and fruit as follows:

	2016 RMB'000	2015 RMB'000
Vegetables	**9,380**	11,253
Fruit	**2,620**	10,387
	12,000	21,640

(c) The analysis of carrying amount of biological assets is as follows:

	2016 RMB'000	2015 RMB'000
At fair value less costs to sell	**12,000**	21,640

Vegetables and fruit were stated at fair value less costs to sell as at 30 April 2016 and 2015. The fair value was determined based on the market price of respective matured produce in the local market adjusted with reference to the cultivation areas, growing conditions, cost incurred and to be incurred and expected yield of the crops.

23. BIOLOGICAL ASSETS (continued)

(d) The quantity and amount of agricultural produce harvested measured at fair value less costs to sell during the year were as follows:

	2016		2015	
	Quantity (tons)	**RMB'000**	Quantity (tons)	RMB'000
Vegetable and rice	**139,201**	**199,649**	165,976	262,501
Fish	**7,641**	**46,956**	7,628	43,102
Fruit	**12,627**	**36,274**	8,793	19,520
	159,469	**282,879**	182,397	325,123

The Qualification of Valuer

The Group's biological assets were valued by independent professional valuer as at 30 April 2016 (the "Valuation Date"). The professional valuers in charge of this valuation have appropriate qualifications and relevant experience in various appraisal assignments involving biological assets. The independent professional valuers involved in this valuation include a professional member of the Royal Institution of Chartered Surveyors (MRICS) and of the Hong Kong Institute of Surveyors (MHKIS) and have appraisal experience in a broad range of assets such as property assets, industrial assets, biological assets, mining rights and assets, technological assets and financial assets in the PRC, Hong Kong, Europe and abroad.

Valuation methodology of Biological Assets

The valuation of the biological assets has been prepared in accordance with the HKIS Valuation Standards 2012 Edition published by Hong Kong Institute of Surveyors, International Valuation Standards 2013 published by International Valuation Standards Council.

Referring to the HKIS Valuation Standards 2012 Edition, valuation undertaken for inclusion in a financial statement shall observe and refer to the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (i.e. HKICPA), including *HKAS41 Agriculture*.

In the process of valuating the biological assets, the valuer has adopted income approach and taken into consideration the nature and specialty of the biological assets.

The discount rate applied in the valuation was 12.17% (2015: 10.85%).

23. BIOLOGICAL ASSETS (continued)

(d) The quantity and amount of agricultural produce harvested measured at fair value less costs to sell during the year were as follows: (continued)

Work done on physical existence and quantity of biological assets

During the year, the Group had performed physical counts and verified the conditions of the agricultural produces and biological assets. The coverage of physical counts representing 100% of the agricultural produces as carried in the consolidated statement of financial position as at 30 April 2016.

In regarding to the biological assets, the Group had observed the growing conditions and cross checked with the plantation plans. To ensure the biological assets growthing status are meet to the target.

Valuation Assumptions

- The projected producer selling price is approximately 61.6% of the retail selling price, after considering profit margins for dealers and wholesalers;

- There will be no force majeure, including natural disasters that could adversely impact the conditions of the biological assets and their harvest;

- For the Group to continue as a going concern, the Group will successfully carry out all necessary activities for the development of its business;

- Market trends and conditions where the Group operates will not deviate significantly from the economic forecasts in general;

- The availability of finance will not be a constraint on the forecast growth of the biological assets in accordance with the projected harvest of the biological assets;

- Key management, competent personnel and technical staff will all be retained to support the ongoing operations of the Group;

- There will be no material changes in the Group's business strategy and its operating structure;

- Interest rates and exchange rates in the localities for the operation of the Group will not differ materially from those presently prevailing;

23. BIOLOGICAL ASSETS (continued)

Valuation Assumptions (continued)

- All relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organisation required to operate in the localities where the Group operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Group operates or intends to operate, which would adversely affect the revenues and profits attributable to the Group after the harvest of the biological assets.

24. TRADE AND OTHER RECEIVABLES

	2016	2015
	RMB'000	RMB'000
Trade receivables	**2,014**	3,837
Other receivables	**142,363**	20,741
Loans and receivables	**144,377**	24,578
Rental and other deposits	**513**	668
Interest in leasehold land held for own use under operating leases	**3,646**	2,961
Prepayments		
– to suppliers	**–**	43,770
– to others	**183**	50
Value added tax recoverable	**3,954**	3,996
	152,673	76,023

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Of the trade receivables balance at the end of the year of approximately RMB61,000 (2015: approximately RMB346,000) is due from the Group's largest customer. There were no customers who represent more than 5% of the total balance of trade receivables for the year 2016 (2015: Nil).

24. TRADE AND OTHER RECEIVABLES (continued)

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

	2016 RMB'000	2015 RMB'000
Within 1 month	**2,014**	3,837
Over 1 month but within 3 months	**–**	–
	2,014	3,837

Trade receivables are due within 30 days from the date of billing.

(b) Trade receivables that are not impaired

Trade receivables that are neither individually nor collectively considered to be impaired are aged within 30 days.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The ageing analysis of these trade receivables are as follows:

	2016 RMB'000	2015 RMB'000
Over 1 month but within 3 months	**–**	–

(c) As at 30 April 2015, trade receivables of approximately RMB15,269,000 have been reclassified to assets classified as held for sale (note 21).

25. PLEDGED BANK DEPOSITS

The pledged bank deposits carry fixed interest rate from 0.75% to 4.25% (2015: 0.75% to 4.25%) per annum. Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. As at 30 April 2016, approximately RMB287,231,000 bank deposits were pledged for bank borrowings with maturity within one year (2015: RMB255,879,000 and RMB31,750,000 bank deposits were pledged for long term bank borrowings with maturity over one year for continuing operations and discontinued operations respectively.).

26. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	2016 RMB'000	2015 RMB'000
Cash at bank	**1,961,362**	141,579
Cash on hand	**180**	136
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	**1,961,542**	141,715

Included in the cash and bank balances at the end of the reporting period were amounts of approximately RMB1,945,499,000 (2015: approximately RMB111,333,000) which not freely convertible into other currencies.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 April 2015, cash and cash equivalent of approximately RMB456,982,000 have been reclassified as assets of cash as held for sale (note 21).

26. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of loss before taxation to cash generated from operations:

	2016 RMB'000	2015 RMB'000
Cash flows from operating activities		
(Loss)/profit before taxation		
– Continuing operations	**(1,420,676)**	(449,488)
– Discontinued operations	**520,856**	269,378
	(899,820)	(180,110)
Adjustments for:		
Amortisation of interests in leasehold land held for own use under operating leases	**4,895**	4,989
Amortisation of long-term prepaid rentals	**98,937**	104,777
Depreciation of property, plant and equipment	**158,243**	178,380
Net (gain)/loss arising from changes in fair value of other financial liabilities	**(36,267)**	13,157
Loss on disposal of property, plant and equipment	**61,752**	25,896
Loss on interests in leasehold land held for own use under operating leases	**1,367**	–
(Gain)/loss on disposal of subsidiaries	**(1,027,956)**	14,036
Loss/(gain) on changes in fair values less costs to sell biological assets	**5,073**	(5,745)
Impairment loss on recognised on property, plant and equipment	**579,446**	38,994
Impairment loss on recognised on deposit of purchase for property, plant and equipment	**264,493**	–
Impairment loss on long-term prepaid rentals	**402,163**	128,212
Impairment loss recognised on interests in leasehold land held for own use under operating leases	**28,151**	2,715
Interest income	**(8,611)**	(15,007)
Interest expenses	**145,225**	157,371
Impairment loss in recognised on available-for-sale financial assets	**115,280**	–
Net loss on financial assets at fair value through profit or loss	**7,143**	–
Loss on redemption of convertible bonds	**1,234**	4,675
	(99,252)	472,340
Changes in working capital:		
Decrease in inventories	**7,084**	3,762
Decrease/(increase) in biological assets	**4,567**	(2,627)
Decrease in trade and other receivables	**14,068**	95,502
Increase in financial assets at fair value through profit or loss	**(9,974)**	–
Decrease in amount due to a director	**–**	(7,995)
Increase in trade and other payables	**29,100**	54,679
Cash (used in)/generated from operations	**(54,407)**	615,661

27. TRADE AND OTHER PAYABLES

	2016 RMB'000	2015 RMB'000
Trade payables	429	523
Accrued salaries and wages	2,346	8,181
Other accruals and payables	212,127	84,696
Financial liabilities measured at amortisation cost	214,902	93,400
Deposits received	–	123,938
Receipts in advance	–	7,228
Other taxes payable	970	9,653
	215,872	234,219

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

	2016 RMB'000	2015 RMB'000
Within 1 month	429	523

As at 30 April 2015, trade payable of approximately RMB17,937,000 have been reclassified to assets classified as held for sale (note 21).

As at 30 April 2016, other accruals and payables included payments related to the disposal of beverage business operations of approximately RMB112,907,000.

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2016 RMB'000	2015 RMB'000
At 1 May	**26,178**	25,507
Provision for the PRC Enterprise Income Tax for the year	**69,075**	96,519
Tax paid during the year	**(77,449)**	(95,848)
At 30 April	**17,804**	26,178

(b) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Undistributed profits of foreign controlled entities RMB'000	Convertible bonds RMB'000	Total RMB'000
Deferred tax arising from:			
At 1 May 2014	70,638	15,551	86,189
Exchange realignment	–	(689)	(689)
Credited to profit or loss (Note 7(a))	–	(7,080)	(7,080)
At 30 April 2015 and 1 May 2015	70,638	7,782	78,420
Credited to profit or loss (Note 7(a))	–	(7,782)	(7,782)
At 30 April 2016	70,638	–	70,638

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax liabilities recognised (continued)

Deferred tax on undistributed profits of foreign controlled entities ("Withholding Tax")

Pursuant to the New Tax Law and its implementation rules which took effect from 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign enterprise investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign enterprise investors. On 22 February 2008, Caishui (2008) No.1 was promulgated by the PRC tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 determined based on the relevant PRC tax laws and regulations are exempted from the withholding tax.

As at 30 April 2016, deferred tax liabilities of approximately RMB70,638,000 (2015: RMB70,638,000) have been recognised in respect of the withholding tax that would be payable on the distribution of the retained profits of the Company's PRC subsidiaries. Deferred tax liabilities of approximately RMB158,719,000 (2015: RMB273,119,000) have not been recognised, as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that certain of the profits earned by the Company's PRC subsidiaries for the year from 1 January 2008 to 30 April 2016 will not be distributed in the foreseeable future.

There were no other material unprovided deferred tax liabilities as at 30 April 2016.

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB214,808,000 (2015: RMB329,722,000) as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire within 5 years under the current tax legislation.

29. BANK AND OTHER BORROWINGS

	2016 RMB'000	2015 RMB'000
Bank loans	**789,630**	763,462
Loan from other entities	**158,572**	298,342
	948,202	1,061,804
Secured	**689,625**	763,462
Unsecured	**258,577**	298,342
	948,202	1,061,804
– Within one year	**808,202**	544,638
– More than one year, but not exceeding two years	**–**	277,166
– More than two years, but not more than five years	**140,000**	240,000
	948,202	1,061,804
Less: Amounts shown under current liabilities	**(808,202)**	(544,638)
	140,000	517,166

Notes:

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

	2016	2015
Effective interest rate:		
Fixed-rate borrowings	**5.0% to 13.9%**	5.0% to 7.3%
Variable-rate borrowings	**3.0% to 12.0%**	4.8% to 10.7%

(b) As at 30 April 2016, bank deposits amounting to approximately RMB287.2 million (2015: RMB255.9 million) had been pledged to secure the Group's bank loans and banking facilities. In addition, certain property, plant and equipment and interests in leasehold land held for own use under operating leases with book value amounting to approximately RMB212.9 million (2015: RMB469.2 million) had been pledged to secure the Group's bank loans for the purpose of working capital.

30. OTHER FINANCIAL LIABILITIES

	RMB'000
At 1 May 2014	21,902
Charged to profit or loss	13,157
Exchange realignment	(366)
At 30 April 2015 and 1 May 2015	34,693
Charged to profit or loss	(36,267)
Exchange realignment	1,574
At 30 April 2016	–

The Company entered into the master framework and subscription agreement ("Master Agreement") with Peking University V-Ming (Shanghai) Investment Holdings Co. Limited ("the Lender") and Partner Shanghai Limited ("the Subscriber") after trading hours on 4 September 2013. The Lender agreed to grant a loan in a total amount of RMB240 million (equivalent to approximately HK$303.6 million and guaranteed by the subsidiaries) to China Green Foods Group Co. Ltd., a subsidiary of the Company. The Loan is for a term of five years at an annual interest rate of 5%, with a review to extending the term for two years upon expiry of the initial term, upon discussions with the Company and the Lender. In consideration of the loan, the Subscriber, an affiliate of the Lender, agreed to subscribe as principal and the Company agreed to issue and allot 226,553,576 new shares of the Company. The loan will effectively provide the Company with the necessary funding to repay the bonds due on 12 April 2013. The outstanding principal and interest amounts in relation to the loan shall become immediately due and payable in full after payment of the subscription.

On 20 June 2014, the parties to the Agreement and Tsinghua Redbud Holding Ltd. ("Tsinghua Redbud") entered into a novation agreement (the "Novation Agreement"), pursuant to which, all the rights, benefits and obligations under the Agreement including the Loan granted by Tsinghua Redbud (as duly authorized nominee of the Lender) through the Entrusted PRC Bank were novated by the Lender to Tsinghua Redbud upon the signing of the Novation Agreement. All the obligations and liabilities of the Lender under the Agreement have been released save for any liabilities or breaches accrued prior to the execution of the Novation Agreement. For the detail, please refer to the announcement published by Company on 20 June 2014.

30. OTHER FINANCIAL LIABILITIES (continued)

The total outstanding shares of the Company as at 4 September 2013 and 30 April 2015 (the Valuation Dates) were approximately 884.04 million shares and 1,986.6 million shares respectively. The Option was granted by the Company on 4 September 2013, and represents approximately 25.63% and 11.40% of the outstanding shares respectively, amounting to 226,553,576 shares upon exercise. The Subscriber can subscribe the shares at HK$1.34 per share and are valid for a period of 7 years, starting from the date of issue. Subject to the terms and conditions of clause 2.2 under the Agreement:

During the year ended 30 April 2016, the Company has entered into a termination agreement. Pursuant to the termination agreement, all parties conditionally agreed to terminate the Master Agreement. Upon the termination of the Master Agreement, the option was lapse and change in option value has been recognized in profit or loss and other comprehensive income.

31. CONVERTIBLE BONDS

On 1 May 2013, the Company issued a consent solicitation memorandum (the "Consent Solicitation Memorandum") which contemplated, among other things, the payment of an agreed cash payment (the "Cash Payment") and the issue of two tranches of new bonds to the bondholders in consideration of the bondholders approving the cancellation of the amount of principal, premium or interest or the equivalent amount or US dollar equivalent payable in respect of the Convertible Bonds by way of an extraordinary resolution.

The principal purpose of the Consent Solicitation Memorandum is to seek the consent of the bondholders to, by way of the second bondholders' resolution, renounce and extinguish each bondholder's rights (including, without limitation, all rights under statute and common law) with respect to the payment of principal, premium and interest and the delivery of shares of the Company to such bondholder, pursuant to the original terms and conditions and the original trust deed (the "Original Trust Deed") that constitutes the Convertible Bonds and accordingly, pursuant to paragraph 16.9.2 of Schedule 3 to the Original Trust Deed, authorises and approves the cancellation of the amount of principal, premium or interest payable in respect of the Convertible Bonds (the "Bond Cancellation"), subject to the receipt by the bondholders in respect of each RMB100,000 in principal amount of the Convertible bonds.

The convertible bonds with an outstanding amount of approximately RMB568,391,000 had been matured on 12 April 2016. After the maturity of the convertible bonds, the management and the bondholder of not less than 75% in the outstanding principal of the convertible signed a standstill agreement. Please refer to the note 2 "Basis of preparation" for details.

31. CONVERTIBLE BONDS (continued)

The convertible bonds information are presented as follows:

	Convertible bonds at 7%	**Convertible bonds at 10%**
Principal amount:		
– as at 13 November 2013	RMB515,280,000	RMB515,280,000
– as at 30 April 2015	RMB515,280,000	RMB174,267,696
– as at 30 April 2016	RMB514,880,000 in USD settlement	RMB53,511,000 in USD settlement
Interest:	7% p.a. payable semi-annually	10% p.a. payable semi-annually
Issue date:	13 November 2013	13 November 2013
Maturity date:	12 April 2016	12 April 2016
Conversion price per share	HK$1.34	HK$11.244
	Adjustment of conversion price	Adjustment of conversion price
	–28 March 2014 HK$1.29	–28 March 2014 HK$10.89
	–22 September 2014 HK$1.09	–22 September 2014 HK$9.25
	–24 October 2014 HK$1.01	–24 October 2014 HK$8.63
	– 8 July 2015 HK$0.51	– 8 July 2015 HK$4.39
	– 25 November 2015 HK$2.55	– 25 November 2015 HK$21.95
Mandatory redemption		
–12 April 2014	N.A.	approx. RMB120.3 million
–12 April 2015	N.A.	approx. RMB220.7 million
–12 October 2015	N.A.	approx. RMB120.3 million
–12 April 2016	N.A.	approx. RMB54.0 million

31. CONVERTIBLE BONDS (continued)

The convertible bonds recognised in the statement of financial position was calculated as follows:

	Convertible Bonds 2016 at 7%	Convertible Bonds 2016 at 10%	Total
	RMB'000	RMB'000	RMB'000
Liability component	457,078	496,681	953,759
Equity component	52,402	12,799	65,201
Nominal value of Convertible Bonds issued on 13 November 2013	509,480	509,480	1,018,960
Liability component at 1 May 2014	468,515	379,814	848,329
Imputed interest charge	59,528	44,270	103,798
Less: Coupon interest paid	(37,107)	(38,369)	(75,476)
Less: Redemption	–	(216,356)	(216,356)
Exchange realignment	850	3,940	4,790
As at 30 April 2015 and 1 May 2015	491,786	173,299	665,085
Imputed interest charge	59,493	11,247	70,740
Less: Coupon interest paid	(36,045)	(11,373)	(47,418)
Less: Redemption	–	(119,282)	(119,282)
Less: Conversion	(354)	(395)	(749)
Exchange realignment	–	15	15
As at 30 April 2016	514,880	53,511	568,391

The imputed interest expenses on the convertible bonds at 7% and 10% are calculated using effective interest method by using the effective interest rate of 12.15% to 12.48% (2015: 12.15% to 12.48%) respectively.

31. CONVERTIBLE BONDS (continued)

Analysis of convertible bonds is as follows:

	2016 **RMB'000**	2015 RMB'000
Non-current portion	**–**	–
Current portion	**568,391**	665,085
Carrying amount at 30 April	**568,391**	665,085

32. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share Capital

(i) Authorised and issued share capital

	Number of Ordinary Shares of HK$0.10 each '000	**Nominal value** HK$'000	**RMB equivalent** RMB'000
Authorised:			
At 1 May 2014	2,000,000	200,000	212,000
Increase for the year	1,000,000	100,000	79,178
At 30 April 2015 and 1 May 2015	3,000,000	300,000	291,178
Increase for the year	7,000,000	700,000	551,920
At 30 April 2016	10,000,000	1,000,000	843,098

32. CAPITAL AND RESERVES (continued)

(b) Share Capital (continued)

(i) Authorised and issued share capital (continued)

	Number of Ordinary Shares of HK$0.10 each	Nominal value	RMB equivalent
	'000	HK$'000	RMB'000
Issued and fully paid:			
At 1 May 2014	1,060,841	106,084	106,277
Issue of shares upon open offer (note i)	530,420	53,042	41,998
Issue of shares (note ii)	395,328	39,533	31,300
At 30 April 2015 and 1 May 2015	1,986,589	198,659	179,575
Issue of shares upon conversion of convertible bonds	553	55	45
Issue of shares upon open offer (note iii)	3,974,284	397,428	313,232
Capital reorganisation (note iv)	(4,769,140)	(476,914)	(394,281)
At 30 April 2016	1,192,286	119,228	98,571

Notes:

(i) 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 net proceeds, after deducting the underwriting commission and other related expenses payable by the Company, were approximately HK$128.6 million (approximately to RMB102.4 million). The net proceeds from the open offer used by the Company (i) as to approximately HK$48 million (approximately to RMB38.4 million) for the payment of interest of convertible bonds (ii) as to HK$58.7 million (approximately to RMB47 million) to reduce the debt level of the Group and the remaining net proceeds used for general working capital.

(ii) On 13 August 2014, the Company and Jun Yang Solar Power Investments Limited ("Jun Yang") entered into the subscription agreement, pursuant to which Jun Yang has conditionally agreed to subscribe for, and the Group has conditionally agreed to allot and issue, 395,328,000 subscription shares at the subscription price of HK$0.25 per subscription share. The net proceeds, after deducting the transaction cost and other related expenses payable by the Company, were approximately HK$98 million (approximately to RMB77.1 million). The share subscription was completed on 24 October 2014. The net proceeds from the subscription used by the Company (i) as to approximately HK$30.8 million (approximately to RMB24.2 million) for reduction of Group's debt level; (ii) approximately HK$21.7 million (approximately to RMB17.1 million) for general working capital; and (iii) the remaining net proceeds from subscription mainly for subscribed equity shares in Oriental Unicorn Agricultural Group Limited (now known as China Demeter Investments Limited).

32. CAPITAL AND RESERVES (continued)

(b) Share Capital (continued)

(ii) Authorised and issued share capital (continued)

Notes:

(iii) On 8 July 2015, the Company completed an open offer of 3,974,283,592 Shares at the subscription price of HK$0.2 per offer share on the basis of two offer share for every one existing Shares held on 12 June 2015. 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. As at 30 April 2016, such net proceeds were used as to (i) HK$395.2 million had been utilized as intended for the repayment of the 2015 Notes, (ii) HK$204.8 million had been utilised as intended for reducing other indebtedness of the Group, (iii) HK$51.2 million had been utilised as intended to strengthen and develop the fresh produce and processed products, and branded food products related businesses of the Group, (iv) HK$24.0 million had been utilised as intended for the payment of part of the professional fees and costs for the restructuring of the Disposal and (v) HK$48.9 million had been utilised as intended as general working capital and operating expenses of the Group. The remaining net proceeds of approximately HK$48.8 million have remained unused and are intended to be used as planned to strengthen and develop the continuing operations of the Group.

(iv) Pursuant to the special general meeting on 24 November 2015, the special resolution in relation to the capital reorganisation comprising the share consolidation, share reduction and the share sub-division was duly passed by way of poll and took effect on 25 November 2015.

(v) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally.

(c) Nature and purpose of reserves

(i) Share premium

The application of share premium account is governed by Section 40 of the Bermuda Companies Act 1981. The share premium account of the Company is distributable to the owners of the Company in the form of fully paid bonus shares.

(ii) PRC statutory reserve

In accordance with the relevant PRC laws applicable to enterprises with foreign investment, the Company's subsidiaries established in the PRC are required to transfer at least 10% of their annual net profits to the general reserve until the balance of the reserve is equal to 50% of the respective entities' registered capital. The transfer to this fund must be made before distribution of dividends to owners. This reserve can be used to offset prior years' losses, if any, and convert into paid-up capital provided that the balance of the general reserve after such conversion is not less than 25% of their registered capital.

(iii) Merger reserve

Merger reserve represents the difference between the nominal value and premium of shares of subsidiaries acquired over the nominal value of the shares issued by the Company in exchange thereof.

32. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Share-based compensation reserve

Share-based compensation reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share based payments in Note 2.

(v) Convertible bonds reserve

Convertible bonds reserve comprises the amount allocated to the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in Note 2.

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2.

(vii) Contributed surplus

Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired by the Company through an exchange of shares pursuant to the group reorganisation prior to the listing of the Company's shares on 13 January 2004.

The application of the Company's contributed surplus is governed by the Bermuda Companies Act 1981. Under the Bermuda Companies Act 1981, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

32. CAPITAL AND RESERVES (continued)

(d) Distributability of reserves

The Company's contributed surplus in the amount of RMB688,683,000 (2015: RMB294,402,000) is available for distribution to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution of contributed surplus if (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account. As at 30 April 2016, the reserves of the Company were not available for distribution (2015: Nil). In addition, the Company's share premium account, in the amount of approximately RMB1,172,019,000 at 30 April 2016 (2015: RMB875,137,000), may be distributed in the form of fully paid bonus shares.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors its capital structure on the basis of an adjusted net debt-to-equity ratio. For this purpose, adjusted net debt is defined as total debt (which includes trade and other payables, amount due to a director and convertible bonds) plus un-accrued proposed dividends, less cash and cash equivalents. Adjusted equity comprises all components of equity.

During the year ended 30 April 2016, the Group's strategy, which was unchanged from the last year, was to maintain the adjusted net debt-to-equity ratio at the lower end by having sufficient cash and cash equivalents over total debt and proposed dividends. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

32. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

The net debt-to-equity ratio as at 30 April 2016 and 2015 was as follows:

		The Group	
		2016	2015
	Notes	**RMB'000**	RMB'000
Trade and other payables	27	**215,872**	234,219
Borrowings	29	**948,202**	1,061,804
Convertible bonds	31	**568,391**	665,085
Total debt		**1,732,465**	1,961,108
Less: Cash and cash equivalents	26	**(1,961,542)**	(141,175)
Net debt		**(229,077)**	1,819,933
Total equity		**3,088,475**	3,489,391
Adjusted net debt-to-equity ratio		**NA**	52%

The adjusted net debt-to-equity ratio of the Company was over 50% as at 30 April 2015. The Company regarded that such situation was short term only. In order to maintain or adjust the capital structure, the Company may adjust the dividends from subsidiaries and the dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

Pursuant to the terms and conditions of the 7.00 per cent. 2016 Bonds and the 10.00 per cent. 2016 Bonds effective on 13 November 2013, the Group is required to maintain the ratio of "total gross debt" to "EBITDA" not exceeding 4:1. For the purpose of this capital requirement, "total gross debt" is defined at any time the aggregate amount of all obligations of the Group for or in respect of borrowings and so that no amount shall be included or excluded more than once. During the period starting nine months before the maturity date and up to and including the maturity date, any obligations of the Group for or in respect of borrowings used to refinance or repay the bonds shall not be included in the calculation of total gross debt provided that the Group has expressly and publicly undertaken to use the proceeds of such new borrowings to repay the bonds and applies the proceeds of such new borrowings to refinance or repay the bonds. In such event, the amount of the bonds to be repaid will be deducted from the total gross debt. The Group is in compliance with the capital requirement.

Other than the above, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

33. GAIN ON DISPOSAL OF SUBSIDIARIES

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*), Xiamen Company and CCBSL entered into the Equity Transfer Agreement, pursuant to which CCBSL conditionally agreed to acquire, and Xiamen Company conditionally agreed to sell, the entire equity interest in the Target Company ("Disposal"). 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 in accordance with the Equity Transfer Agreement.

The Equity Transfer Agreement and the transactions contemplated thereunder were approved by the shareholders of the Company at the special general meeting held on 14 September 2015. On 15 September 2015, the Group was confirmed by CCBSL that the Anti-Monopoly Bureau of MOFCOM 商業部反壟斷局 has decided that the Disposal was not prohibited under the Anti- Monopoly Law.

As disclosed in the announcement of the Company dated 29 February 2016, the Company and other relevant parties have entered into the Amended and Restated Equity Transfer Agreement to amend certain terms of the Equity Transfer Agreement. As the Disposal is a very substantial disposal as classified under Chapter 14 of the Listing Rules and the Amended and Restated Equity Transfer Agreement represented a material change to the terms of the Disposal, the Amended and Restated Equity Transfer Agreement is conditional on shareholders' approval at a general meeting under the Listing Rules. At the special general meeting of the Company held on 23 March 2016, the resolution approving the Amended and Restated Equity Transfer Agreement was duly passed by the shareholders. The Disposal was completed on 23 March 2016. Along with the initial deposit received on the date of the signing of the Equity Transfer Agreement, the Group totally received RMB1,685.6 million as at the completion date.

Pursuant to the Amended and Restated Equity Transfer Agreement, (a) an additional US$50 million of the purchase price (the "Additional Escrow Amount") will be put in escrow, and (b) the purchase price may be reduced pursuant to a performance based adjustment to be determined based on the net sales revenue of the disposed business for a specified nine-month period. The Additional Escrow Amount, together with the escrow of US$100 million provided under the Equity Transfer Agreement, will be released to Xiamen Company subject to the satisfaction of the original release conditions provided under the Equity Transfer Agreement and the performance based adjustment mechanism.

33. GAIN ON DISPOSAL OF SUBSIDIARIES (continued)

The consolidated assets, liabilities and gain on disposal of the beverage business operations as at the date of Disposal are as follows:

	RMB'000
Property, plant and equipment	554,635
Interests in leasehold land held for own use under operating leases	57,470
Inventories	34,339
Trade and other receivable	164,631
Cash and cash equivalents	41,706
Trade and other payables	(137,928)
Net assets disposed of	714,853
Satisfied by:	
Cash	1,685,592
Other receivable (note i)	112,911
Consideration adjustment (note i)	(55,694)
Total consideration	1,742,809
Less: Net assets disposed of	(714,853)
Gain on disposal	1,027,956

	RMB'000
Net cash inflow arising on disposal:	
Cash consideration	1,685,592
Less: cash and cash equivalents disposed of	(41,706)
	1,643,886

33. GAIN ON DISPOSAL OF SUBSIDIARIES (continued)

Notes:

(i) After the completion of the Disposal, the total consideration was adjusted downwards by RMB55,694,000 according to the Amended and Restated Equity Transfer Agreement. Also, the total consideration increased by other receivables amounting to RMB112,911,000, which represented the VAT input credit to be reimbursed by the buyer by no later than the second (2nd) anniversary of the completion of the Disposal. In addition, since the amount totaling US$ 150 million being put into the escrow account on the date of completion of the Disposal was subject to satisfaction of the release conditions and performance based adjustment, there was significant uncertainty over the recoverability of such amount. In view of it, the Board decided not to recognise such amounts as part of consideration during the year.

(ii) During the year ended 30 April 2016, the Group recognised direct tax expenses and other direct expenses such as legal and professional fees in relation to the Disposal amounting to RMB404,004,000 in general and administrative expenses in the continuing operations.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

	2016 **RMB'000**	2015 RMB'000
Financial assets		
Available-for-sales financial assets	**59,885**	42,818
Loan and receivables (including cash and bank balance)		
– Trade and other receivables	**144,890**	25,246
– Pledged bank deposits	**287,231**	255,879
– Cash and cash equivalents	**1,961,542**	141,715
	2,393,663	422,840
Financial liabilities		
Amortised costs		
– Trade and other payables	**214,902**	93,400
– Convertible bonds	**568,391**	665,085
– Bank and other borrowings	**948,202**	1,061,804
	1,731,495	1,820,289

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group is also exposed to financial risks arising from changes in agricultural produce prices, which are constantly affected by both demand and supply cycles of the agricultural industry. As a result, the movements of the prices may have significant impact on the Group's earnings and valuation of biological assets as well as cash flows and liquidity. Whilst efforts have been made to implement certain strategies, there can be no assurance that the Group will be fully shielded from negative effects resulting from movements of agricultural produce prices.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the carrying amount of the respective financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to trade and other receivables, pledged bank deposits and cash at bank. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Pledged bank deposits and cash at bank are placed with banks and other financial institutions with good credit quality, the directors of the Company consider that the Group's credit risk on the pledged bank deposits and cash at bank is low.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 30 days from the date of billing. Debtors with balances that are due for more than 30 days are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 0% (2015: 0%) and 0% (2015: 0%) of the total trade and other receivables were due from the Group's largest customer and the five largest customers respectively.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

The maximum exposure to credit risk without taking into account any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 24.

(b) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains sufficient cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

2016

				Contractual undiscounted cash outflow		
	Weighted average interest rate	Carrying amount at 30 April RMB'000	Total undiscounted cash flows RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 year but less than 5 years RMB'000
Bank borrowings						
–fixed rate	5.8%	140,000	157,184	7,000	7,000	143,184
–variable rate	6.3%	649,630	666,093	666,093	–	–
Other borrowings						
–fixed rate	13.9%	158,572	159,659	159,659	–	–
Trade and other payables		184,199	184,199	184,199	–	–
Convertible bonds		568,391	568,391	568,391	–	–
		1,700,792	1,735,526	1,585,342	7,000	143,184

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

2015

	Weighted average interest rate	Carrying amount at 30 April RMB'000	Total undiscounted cash flows RMB'000	Contractual undiscounted cash outflow Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 year but less than 5 years RMB'000
Bank borrowings						
–fixed rate	5.5%	454,000	517,266	235,808	12,000	269,458
–variable rate	8.2%	309,462	347,609	45,755	301,854	–
Other borrowings						
–fixed rate	19.2%	298,342	329,729	329,729	–	–
Trade and other payables	–	93,400	93,400	93,400	–	–
Convertible bonds	5.3%	665,085	754,676	754,676	–	–
		1,820,289	2,042,680	1,459,368	313,854	269,458

(c) Interest rate risk

Fair value interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate borrowings, bank deposits and the convertible bonds issued by the Group.

The interest rates of the Group's borrowings and convertible bonds are disclosed in notes 29 and 31 respectively.

The Group does not have derivative financial instruments to hedge its debt obligations. Any future variations in interest rate would not have a significant impact on the results of the Group.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Cash flow interest rate risk

As at 30 April 2016, the Group is exposed to cash flow interest rate risk since the Group has variable-rate borrowings and bank balances and deposits. It is the Group's present policy to keep its borrowings at variable rate of interests so as to minimise the fair value interest rate risk.

The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings and bank balances. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 30 April 2016 would decrease/increase by approximately RMB1,077,000 (2015: RMB1,547,000).

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases and borrowings that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily RMB and United States dollars ("USD"). The Group manages this risk as follows:

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China ("PBOC") or other financial institutions authorised 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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded and certain comparative figures have been adjusted to conform to current year's presentation.

	2016 (expressed in RMB)	
	RMB	**USD**
	'000	**'000**
Cash and cash equivalents	**–**	**299**
Pledged bank deposits	**–**	**12,481**
Convertible bonds	**(568,391)**	**–**
Overall net exposure	**(568,391)**	**12,780**

	2015 (expressed in RMB)	
	RMB	USD
	'000	'000
Cash and cash equivalents	–	755
Pledged bank deposits	–	12,389
Convertible bonds	(665,085)	–
Overall net exposure	(665,085)	13,144

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

During the year ended 30 April 2016, if RMB has strengthened by 5%, with all other risk variables remained constant, the Group's (loss)/profit after taxation and retained profits would (increase)/decrease by approximately RMB27,781,000 (2015: RMB32,597,000). For a 5% weakening of RMB, there would be an equal and opposite impact on the profit after taxation and retained profits. Other components of consolidated equity would not be affected by the changes in foreign exchange rates.

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the end of next annual reporting period. The analysis is performed on the same basis for 2015.

35. FAIR VALUE MEASUREMENT

For financial reporting purpose, fair value measurement are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety.

The table below analyses the fair value of the Group's assets that are measured at fair value on a recurring basis. The different levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

35. FAIR VALUE MEASUREMENT (continued)

2016

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Vegetables and fruits	–	12,000	–	12,000
Available-for-sales financial assets	53,208	–	–	53,208
Financial asset at fair value through profit or loss	2,879	–	–	2,879
	56,087	12,000	–	68,087

2015

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Vegetables and fruits	–	21,640	–	21,640
Other financial liabilities	–	–	34,693	34,693
Available-for-sales financial assets	42,818	–	–	42,818
	42,818	21,640	34,693	99,151

There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during the year. The reconciliation from the beginning balances to the ending balances for fair value measurements of the above assets are disclosed in Note 19, 20 and 23.

35. FAIR VALUE MEASUREMENT (continued)

Prevailing market data

Type	Valuation approach	Key measurements inputs	Inter-relationship between key measurement input and fair value measurement
Biological assets			
Fresh vegetables, fish and fruits	The fair value less costs to sell of fresh vegetables, fish and fruits by adopted income approach with discount cash flow	–planted 2,000 mu of sweet corn –planted 150 mu of tomato –planted 2,000 mu of lotus root –planted 100 mu of rice –planted 260 mu of chill –planted 320 mu of watermelon	the planted area increase, the market price increase, and vice versa
Other financial liabilities			
Derivative option	The fair value are determined by Black-Scholes Models	–The unit market value of the share as at 4 September 2013 (HK$0.90) –The unit market value of the share as at 30 April 2015 (HK$0.323 (adjusted))	the share price increase, the unit market value of the option increase, and vice versa

36. STATEMENT OF THE FINANCIAL POSITION

	2016 RMB'000	2015 RMB'000
Non-current assets		
Property, plant and equipment	**312**	173
Available-for-sales financial assets	**11,164**	42,818
Pledged bank deposits	**–**	490
Investment in subsidiaries	**234,726**	220,818
	246,202	264,299
Current assets		
Trade and other receivables	**511**	444
Amount due from subsidiaries	**1,584,207**	1,750,823
Cash and cash equivalents	**817**	29,620
	1,585,535	1,780,887
Current liabilities		
Other payables	**93,320**	35,093
Amount due to subsidiaries	**192,779**	181,351
Bank and other borrowings	**314,406**	298,342
Other financial liabilities	**–**	34,693
Convertible bonds	**568,391**	665,085
	1,168,896	1,214,564
Net current assets	**416,639**	566,323
Total assets less current liabilities	**662,841**	830,622
Non-current liabilities		
Deferred tax liabilities	**–**	7,782
Bank and other borrowings	**–**	277,166
	–	284,948
Net assets	**662,841**	545,674

36. STATEMENT OF THE FINANCIAL POSITION (continued)

	2016 RMB'000	2015 RMB'000
Capital and reserves		
Share capital	**98,571**	179,575
Reserves	**564,270**	366,099
Total equity attributable to owners of the Company	**662,841**	545,674

Approved and authorised for issue by the board of directors on 26 July 2016.

Sun Shao Feng
Director

Chen Changgai
Director

The accompany notes from an integral part of these financial statements.

37. PARTICULARS OF SUBSIDIARIES

Name of Company	Place of incorporation and operation	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest and voting power held: Group's effective holding	Held by the Company	Held by subsidiaries	Principal activities
Indirect subsidiaries:						
China Green Foods Group Co., Ltd (Note (i))	The PRC	HK$250,000,000	100%	–	100%	Investment holding
China Green (Jiangxi) Food Science Technique Limited (Note (i))	The PRC	HK$40,000,000	100%	–	100%	Sales of agricultural products
China Green (Fujian) Food Import & Export Co. Limited (Note (ii))	The PRC	HK$30,000,000	100%	–	100%	Trading of agricultural products
China Green Resources (Xiamen) Sales Company Limited (Note (i))	The PRC	US$5,000,000	100%	–	100%	Sales of beverage products
China Green Harvest (Xiamen) Frozen Food Company Limited (Note (i))	The PRC	US$8,000,000	100%	–	100%	Trading of agricultural and frozen products
Zhonglu (Fujian) Agriculture Comprehensive Development Company Limited (Note (ii))	The PRC	RMB68,000,000	100%	–	100%	Processing and sales of agricultural products
Zhonglu (Fujian) Food Industry Limited (Note (i))	The PRC	US$5,000,000	100%	–	100%	Processing and sales of agricultural products
Zhonglu (Hebei) Food Development Limited (Note (ii))	The PRC	US$1,446,000	100%	–	100%	Processing and sales of agricultural products
Zhonglu (Hubei) Food Development Limited (Note (ii))	The PRC	RMB10,000,000	100%	–	100%	Processing and sales of agricultural products

37. PARTICULARS OF SUBSIDIARIES (continued)

Name of Company	Place of incorporation and operation	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest and voting power held: Group's effective holding	Held by the Company	Held by subsidiaries	Principal activities
Indirect subsidiaries: (continued)						
Zhonglu (Quanzhou) Green Foods Development Co., Ltd. (Note (ii))	The PRC	HK$175,000,000	100%	–	100%	Processing and sales of beverage products
Zhonglu (Hubei) Industry Development Limited (Note (i))	The PRC	HK$200,000,000	100%	–	100%	Growing, processing and sales of agricultural products
Fengxin Zhonglu Biyun Organic Rise Science Technology Limited (Note (iii))	The PRC	RMB20,040,080	100%	–	100%	Growing, processing and sales of agricultural products
Hubei Eco-sky Agricultural Development Limited (Note (iii))	The PRC	RMB20,000,000	100%	–	100%	Growing, processing and sales of agricultural products
China Green (Fuyang) Beverages Science and Technology Development Limited (Note (iii))	The PRC	RMB100,000,000	100%	–	100%	Processing and sales of beverage products
China Green (Baicheng) Beverages Development Limited (Note (iii))	The PRC	RMB 20,000,000	100%	–	100%	Processing and sales of beverage products
China Green Beverages (HK) Limited	Hong Kong	HK$1	100%	–	100%	Securities investments

Notes:

(i) These entities were established in the PRC in the form of wholly foreign owned enterprises.

(ii) These entities were established in the PRC in the form of sino foreign equity joint venture enterprises.

(iii) These entities were established in the PRC in the form of limited liability enterprises.

(iv) The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

38. COMMITMENTS

The Group as lessee

(a) Capital commitments

Capital commitments of the Group at 30 April 2016 not provided for in the financial statements were as follows:

	2016 RMB'000	2015 RMB'000
Contracted but not provided for		
– Purchase of property, plant and equipment	**2,782**	319,284

(b) Operating lease commitments

At 30 April 2016, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	2016 RMB'000	2015 RMB'000
Within one year	**903**	11,636
After one year but within five years	**4,423**	3,315
After five years	**1,585,000**	1,657,000
Total	**1,590,326**	1,671,951

The Group is the lessee in respect of properties and cultivation bases under operating leases. The leases typically run for an initial period of 1 to 31 years, with an option to renew the lease when all terms are renegotiated.

38. COMMITMENTS (continued)

The Group as lessor

As the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2016 **RMB'000**	2015 RMB'000
Within one year	**315**	1,000
After one year but within five years	**–**	3,000
Total	**315**	4,000

39. MATERIAL RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	2016 **RMB'000**	2015 RMB'000
Short-term employee benefits	**11,093**	5,809
Post-employment benefits	**44**	43
	11,137	5,852

Total remuneration to personnel of the Group is included in "staff costs" (see Note 6(b)).

40. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Note 35 contain information about the assumptions relating to the fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairments

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment, interests in leasehold land, long-term prepaid rentals, deposits paid for acquisition of fixed assets, available for sale financial assets, trade and other receivables and investments in subsidiaries, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and value in use. It is difficult to precisely estimate the fair value less costs to sell because the fair value (e.g. quoted market prices) for these assets may not be readily available. In determining the value in use, expected cash flows generated by the assets are discounted to their present value, which requires significant judgement relating to items such as level of sales volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs.

In considering the impairment losses that may be required for current receivables, future cash flows need to be determined. One of the key assumptions that has to be applied is about the ability of the debtors to settle the receivables. Despite that the Group has used all available information to make this estimation, inherent uncertainty exists and actual write-offs may be different from the amount estimated.

(b) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technologies changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

40. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Write-down of inventories

Inventories are stated at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. In addition, the management performs an inventory review on a product-by-product basis at the end of the reporting period and assess the need for write-down of inventories.

(d) Fair value of biological assets

The Group's biological assets are valued at fair value less costs to sell and the Group's produce are measured at fair value less costs to sell. The quantities of the Group's biological assets are measured with reference to the cultivation area.

Management uses prices of recent market transactions, market prices for similar assets and sector benchmarks as a basis for measuring fair value. These prices are adjusted to reflect differences in characteristics and/or stages of growth of the assets.

(e) Provision for income tax

Provision for income tax is made based on the taxable income for the period as determined by the Group. The determination of taxable income involves the exercise of judgement on interpretation of the relevant tax rules and regulations. The amount of income tax and hence profit or loss could be affected by any interpretations and clarifications which the tax authority may issue from time to time.

41. CONTINGENT LIABILITIES

As at 30 April 2016, the Group and the Company had no contingent liabilities (30 April 2015: Nil).

42. EVENTS AFTER THE REPORTING PERIOD

(I) Placing of new shares under specific mandate

On 20 May 2016, the Company entered into the placing agreement with the placing agents, pursuant to which the Company appointed the placing agents as its agents to severally procure (not on a joint and several basis) not less than six placees who and whose ultimate beneficial owners are independent third parties, to subscribe for, failing which, each placing agent itself will subscribe for its placing commitment, 5,750,000,000 placing shares at a price of HK$0.10 per placing share on a fully underwritten basis on the terms and subject to the conditions of the placing agreement ("SM Placing"). The gross proceeds from the SM Placing will be HK$575 million and the net proceeds will be approximately HK$553 million (after deduction of commission and other expenses of the SM Placing). The Company intends to use the net proceeds as to approximately HK$530 million for redemption of the Convertible Bonds and payment of the interest accrued thereon; and the remaining of approximately HK$23 million for general working capital. The resolution in relation to the SM Placing was approved by the Company's shareholders at the special general meeting held on 25 July 2016 ("SGM") and remains conditional upon, among others, the obtaining of approval of the Stock Exchange of the listing of, permission to deal in, all of the placing shares. As at the date of these consolidated financial statements, the SM Placing has not yet been completed.

For details, please refer to the announcements of the Company dated 20 May 2016 and 25 July 2016, and the circular of the Company dated 8 July 2016.

(II) Issue of 2016 Notes under specific mandate for loan restructuring

On 20 May 2016, the Company entered into the supplemental deed with the lender, pursuant to which the Company and the lender have conditionally agreed to restructure the loan due under the lump sum loan agreement such that the principal amount of the loan amounting to HK$190,000,000 shall be repaid by the Company by way of creating and issuing the notes in the principal amount of HK$190,000,000 ("2016 Notes"). The 2016 Notes carry the right to convert the principal amount of the loan and the interest accrued thereon from the issue of the 2016 Notes into conversion shares at the conversion price of HK$0.15 per conversion share (subject to adjustments). Assuming the conversion rights are exercised in full at the conversion price of HK$0.15 per conversion share, a maximum of 1,418,666,666 conversion shares will fall to be issued to the noteholder. The resolution in relation to the issue of the 2016 Notes was approved by the Company's shareholders at the SGM and remains conditional upon, among others, the obtaining of approval of the Stock Exchange of the listing of, permission to deal in, all the conversion shares. As at the date of these consolidated financial statements, the issue of the 2016 Notes has not yet been completed.

For details, please refer to the announcements of the Company dated 20 May 2016 and 25 July 2016, and the circular of the Company dated 8 July 2016.

42. EVENTS AFTER THE REPORTING PERIOD (continued)

(III) Standstill Agreement in relation to the 7.00 per cent. Bonds and the 10.00 per cent. Bonds

On 10 June 2016, Bondholders holding not less than 75% in the outstanding principal amount of the 7.00 per cent. Bonds and the 10.00 per cent. Bonds, respectively signed the Standstill Agreement with the Company pursuant to which the parties agreed that, conditional upon the Trustee having received from the Company (i) all outstanding fees and expenses due and payable to the Trustee under the terms of the constitution documents of the Convertible Bonds; (ii) the unpaid accrued interest in respect of the Convertible Bonds that was due to be paid on the Maturity Date and accrued interest from the Maturity Date to the date of the Standstill Agreement; and (iii) 25% of the principal amount of the Convertible Bonds that was due to be redeemed on the Maturity Date, the Bondholders shall, amongst others, not exercise or direct the Trustee to exercise any right or remedy that the Bondholders or the Trustee would otherwise be entitled to exercise pursuant to the constitutional documents of the Convertible Bonds up to 31 August 2016. The aforesaid payments to the Trustee to effect the Standstill Agreement were made on 22 June 2016.

For details, please refer to the announcement of the Company dated 17 June 2016.

43. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group (Note 29):

	2016	2015
	RMB'000	RMB'000
Interests in leasehold land held for own use under operating leases (Note 16)	**6,509**	85,121
Property, plant and equipment (Note 15)	**206,382**	384,068
Bank deposits (Note 25)	**287,231**	287,629
Total	**500,122**	756,818

Save as disclosed above, all the shares in China Green Food Group Limited, a subsidiary of the Company incorporated in Hong Kong, and Dragon Choice Enterprises Limited, Goldprosper Enterprises Limited, Crop Harvest Enterprises Limited, China Green Harvest Enterprises Limited, Icatrad Enterprises Limited, Summit Achieve Holdings Limited and On Success Enterprises Limited, all are subsidiaries of the Company incorporated in the British Virgin Islands, held by 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 share charges, please refer to the overseas regulatory announcement of the Company dated 14 November 2013.

44. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 July 2016.

FIVE YEARS FINANCIAL SUMMARY

For the year ended 30 April 2016

	For the year ended 30 April				
	2012	2013	2014	2015	**2016**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Turnover	2,548,150	2,184,097	640,019	521,094	**406,980**
Gross profit	1,133,119	733,298	48,608	94,304	**57,367**
Profit/(loss) before taxation	696,746	177,716	(660,998)	(449,488)	**(1,420,676)**
Profit/(loss) attributable to owners	520,262	81,130	(667,666)	(448,024)	**(1,413,600)**
Non-current assets	3,405,426	4,727,775	4,774,141	3,552,408	**2,414,332**
Current assets	1,984,630	756,357	771,386	2,055,319	**2,495,050**
Current liabilities	(1,482,440)	(1,499,044)	(675,131)	(1,522,750)	**(1,610,269)**
Non-current liabilities	(76,090)	(70,876)	(1,288,555)	(595,586)	**(210,638)**
Shareholders' equity	3,831,526	3,914,212	3,581,841	3,489,391	**3,088,475**
				Restated	
Basic earnings/(loss) per share (RMB)	0.589	0.092	(0.634)	(0.664)	**(1.301)**