CHINA GREEN (HOLDINGS) LIMITED
中國綠色食品(控股)有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 904)

Annual Report
2017

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

REGISTERED OFFICE

Clarendon House
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Hamilton, HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1502, 15/F.
The Chinese Bank Building
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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
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STOCK CODE

904

INVESTOR RELATIONS CONTACT

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FINANCIAL HIGHLIGHTS

(RMB'000)	2017	2016
Continuing Operations		
Turnover	**221,885**	406,980
– Fresh produce and processed products	**207,712**	378,883
– Branded food products and others	**14,173**	28,097
Gross (loss)/profit	**(80,619)**	57,367
Gross (loss)/profit margin	**(36.3%)**	14.1%
Discontinued operations		
Profit for the year from discontinued operations	**–**	452,487
Continuing & Discontinued operations		
Loss for the year attributable to owners of the Company	**(1,146,816)**	(961,113)
Basic loss per share	**RMB (21.56) cents**	RMB (88.47) cents

KEY FINANCIAL RATIOS

	2017	2016
Current Ratio	**2.15 times**	1.55 times
Gearing Ratio	**32.5%**	49.1%

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of Directors of China Green (Holdings) Limited ("China Green" or the "Company"), I am pleased to present you with the annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 April 2017 (the "FY2016/17").

Following more than one year of business reorganization and negotiations, the Group officially disposed of its beverage business to 可口可樂飲料（上海）有限公司 (Coca-Cola Beverages (Shanghai) Company Limited*) ("CCBSL") in March last year. The net cash proceeds from disposal of beverage business restored the Group's debt to a healthy level, and enabled the Group to shift its business focus to green agricultural plantation, multi-grain products processing, production and sale of prepared frozen and leisure food and become a green brand operator progressively.

Revenue from sale of fresh produce and processed products decreased by 45.2% to approximately RMB207,712,000 during the year. To achieve comprehensive and large scale commercial production during the year, the Group expanded the existing plantation bases in Baicheng from 50,000 mu at the end of last year to 120,000 mu at the end of this year, and entered into supply contracts and agreements with certain food manufacturers. During the year, the revenue from the branded food products and others declined by 49.6% to approximately RMB14,173,000. Currently, the Group is actively developing and launching various new products, focusing on building "Garden Life" (田園生活) brand and "China Green Imperial Delicacy" (中綠御膳良品) brand.

* *For identification purpose only*

The improved living standard, rapid urbanization and increasing demand for healthy catering and quick-frozen food in China represent the potential to drive the growth of the Group's branded food products and others. Currently, "China Green Imperial Delicacy" are sold at international supermarket chains and large domestic retail chains. The Group will gradually expand its sales coverage, which is believed to lead a new trend towards a green and healthy diet and offer delicious and nutritious dining experience to customers.

Over the past year, the Group has undergone reorganization amid challenges in its operations. Nevertheless, the Group believes in "crisis creating opportunity" and has been actively searching and exploring new business opportunities that offer high growth potential and are in line with the Group's overall objectives.

On behalf of the Board, I would like to express my sincere gratitude to all staff members for their dedication and contributions to the Group during this critical period of change. In addition, I wish to thank all of our shareholders for their support and patience throughout this transitional recovery period.

Sun Shao Feng
Chairman of the Board
25 July 2017

FINANCIAL HIGHLIGHTS AND REVIEW OF OPERATIONS

Continuing Operations

For the year ended 30 April 2017, 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 breakdown of their revenue was as follows:

	Year ended 30 April	
	2017	2016
	RMB'000	RMB'000
Revenue by products		
Fresh produce and processed products	**207,712**	378,883
Branded food products and others	**14,173**	28,097
Total	**221,885**	406,980

Fresh produce and processed products

Fresh produce and processed products primarily consisted of fresh vegetables such as sweet corns, lotus roots, radish, cucumbers and water melons as well as multi-grains such as red beans and green beans. During the year, revenue from this segment amounted to approximately RMB207,712,000 (FY2015/16: approximately RMB378,883,000). Although the cultivation area of farmland in Baicheng City increased from 50,000 mu last year to 120,000 mu this year, both production and supply of fresh produce decreased due to the Group's withdrawal of certain farmland last year and the production in the farmland in Baicheng City fallen short of expectations at its initial stage, which resulted in decrease in sales.

Multi-Grain Farmland – Baicheng City

In 2012, the Group entered into lease agreements for 200,000 mu of multi-grain farmland in Baicheng City, Jilin Province, which was planned as a major production base. Starting from last year, the Group has begun the first phase cultivation in 50,000 mu of farmland for various multi-grain products including rice, sweet corns, green beans and red beans. As of 30 April 2017, in view of the fact that the farmland operation is becoming more mature, the Group has expanded the cultivation area of the farmland to 120,000 mu.

On 23 March 2016 (i.e. the completion date of the Group's disposal of 廈門粗粮王飲品科技有限公司 (Xiamen Culiangwang Beverage Technology Co., Ltd.*) ("Xiamen Culiangwang") to CCBSL), the Group and Xiamen Culiangwang entered into a supply agreement for a term of five years, pursuant to which the Group agreed to supply certain raw materials to Xiamen Culiangwang for the manufacturing of beverages or beverage components. The supply volume of raw materials depends on the purchase orders placed by Xiamen Culiangwang.

Save as the above mentioned, the Group also entered into supply contracts and agreements with certain domestic food manufacturers during the year for the provision of raw materials of multi-grain products.

The Group plans to gradually commence cultivation of the remaining 80,000 mu of farmland in the coming few years to achieve comprehensive and large scale commercial production, and to scale up its raw material supply of multi-grain products, thereby enhancing its revenue in this segment. Meanwhile, the Group shall make adjustments in response to yearly changes in yields and products, and to enhance the flexible use of land through various business cooperation models.

Branded food products and others

Branded food products and others that are sold by the Group mainly include rice sold under the Group's own brand, as well as the Group's "Garden Life" (田園生活) brand and "China Green Imperial Delicacy" (中綠御膳良品) brand, both of which were specifically created in 2016. During the year, revenue from this segment was approximately RMB14,173,000 (FY2015/16: approximately RMB28,097,000). The decrease in revenue is mainly because the two brands "Garden Life" and "China Green Imperial Delicacy" were new to the market, which cannot immediately offset the effect against the Group's decision of suspending the production of hotpot products last year.

By integrating its own advantages in agricultural resources with information technologies such as internet of things and big data, "Garden Life" creates a whole-process green ingredient supply chain that embraces research and development, cultivation, production, processing and sales of agricultural products for the Group. "Garden Life" comprises six business collections, including fruits and vegetables, dried food, dried fruits, meat products and imports collections, which provides diverse and quality agricultural products to domestic supermarkets, hotels, catering enterprises and food processing enterprises. Besides existing partners such as Xiamen Air Group, Dali Foods Group Company, Yinlu Group (銀鷺集團), Zaolong Food (早龍食品), Sihai Hefeng (四海禾豐) and Xiamen Culiangwang, the Group is actively expanding sales channel, striving to build "Garden Life" brand to a leading green ingredient supply chain brand in the People's Republic of China ("PRC").

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Separately, after a period of studying on cuisines and recipes, the Group also launched the "China Green Imperial Delicacy" brand, a prepared frozen food brand that encompasses the elements of green, tastiness and nutrition. The brand mainly consists of six series, which are staple food, concocted food, soup, authentic delicacies, starters and desserts, and introduces a healthy, quick and delicious diet to customers. During the year, products under "China Green Imperial Delicacy" brand were sold at large supermarkets in Central China and Southeast regions, such as Wal-Marts, METRO, Vanguard and Yonghui. The Group also developed new customized products (such as pastry products for supermarkets in shopping malls) and snack food delicacies (including white fish steak, battered crispy fish steak, crispy prawn roll and Buddha's green tea cake for restaurants), gradually moving towards marketization.

Gross (loss)/profit and gross (loss)/profit margin

During the year, the Group recorded a gross loss and gross loss margin of approximately RMB80,619,000 and 36.3% respectively (FY2015/16: gross profit and gross profit margin of approximately RMB57,367,000 and 14.1% respectively). Since the Company began the first phase of 50,000 mu farmland production in the last financial year and the second phase production with 70,000 mu farmland in the current financial year, these farmland bases were still in the early development stages, which required quite a lot of inputs (such as wages and salaries and other farming-related expenses) for the early development. Along with other fixed costs such as depreciation and amortization, these costs drove up the cost of production.

Other revenue

Other revenue increased from approximately RMB13,723,000 in FY2015/16 to approximately RMB23,940,000 in FY2016/17, mainly attributable to the increase in bank interest income amounted to approximately RMB21,212,000.

Other gains and losses

During the year, the Group recorded net gains on other gains and losses of approximately RMB31,699,000 (FY2015/16: net losses of approximately RMB123,657,000). The net gains were mainly due to (i) gain on fair value change in derivative financial liability of approximately RMB136,088,000, (ii) exchange gain of approximately RMB11,669,000 mainly arising from Redemption of Convertible Bonds (as defined below) and net off with, (iii) loss on Convertible Notes (as defined below) extinguished of approximately RMB26,588,000, (iv) net loss on financial assets at fair value through profit or loss of approximately RMB4,389,000, (v) impairment loss on available-for-sale financial assets of approximately RMB18,581,000, (vi) loss on financial liability extinguished of approximately RMB59,392,000, and (vii) loss on written-off of inventories of approximately RMB7,108,000.

Loss on financial liability extinguished

The loss was arised from repayment of the Loan (as defined below) by way of creating and issuing the direct, unconditional, unsubordinated and unsecured Convertible Notes.

Loss on Convertible Notes extinguished and Fair value change in derivative financial liability

On 15 December 2016, the Company and the holder ("Noteholder") of the Convertible Notes entered into Modification Deed (as defined below) to amend certain terms and conditions of the Convertible Notes. The Amendment to Terms and Conditions of the Convertible Notes (as defined below) became effective on 17 February 2017. As a result, approximately RMB26,588,000 of loss on Convertible Notes extinguished was recognized by the Company.

As at 30 April 2017, due to the decrease of fair value of embedded derivative financial liabilities of the Restated Convertible Notes (as defined below), the Group recognized approximately RMB136,088,000 of gain on fair value change on the embedded derivative financial liabilities of the Restated Convertible Notes.

Impairment losses on property, plant and equipment and long-term prepaid rentals

During the year, the Group recognized impairment loss on property, plant and equipment of approximately RMB519,304,000 (FY2015/16: approximately RMB216,147,000) and impairment loss on long-term prepaid rentals of approximately RMB204,454,000 (FY2015/16: approximately RMB402,163,000).

The impairment losses were mainly attributable to the production in the multi-grain farmland in Baicheng City, Jilin Province fallen short of expectations at its initial stage which adversely affected the quality of harvests and selling price, and the decrease in demand of multi-grain for the manufacturing of beverages or beverage components during the year. Since those losses as mentioned above are non-cash in nature, they had no significant impact on the cash flow of the Group for FY2016/17.

During the year ended 30 April 2017, the revenue from fresh produce and processed products was approximately RMB207,712,000 and decreased by approximately RMB171,171,000 compared to last financial year and the segment loss increased by approximately RMB129,788,000 to approximately RMB862,695,000 for the year ended 30 April 2017. Because of the continuing decline in the financial performance of the Group's fresh produce and processed products segment, the Group considered that there was an indication that the assets of the fresh produce and processed products may be impaired. Therefore, the Group carried out a review of the recoverable amount of the corresponding assets. The valuation of the recoverable amount was performed by Peak Vision Appraisals Limited, an independent valuer, whose report has been issued on 25 July 2017. During the year, the impairment loss mainly related to the property, plant and equipment and long-term prepaid rentals.

When compared to the year ended 30 April 2016, the value in use of the fresh produce and processed products segment decreased mainly due to the decrease in the demand of multi-grain for the manufacturing of beverages or beverage components and the production in the multi-grain farmland in Baicheng City fallen short of expectations at its initial stage.

The Group had entered into supply agreements with certain customers. However, with intensifying competition in the beverages markets during the year ended 30 April 2017, the Group noted the demand of multi-grain for the manufacturing of beverages or beverage components is below its expectation. Therefore, the management updated the revenue forecast based on the latest information available.

The Group began to cultivate the multi grain products in the first phase of 50,000 mu farmland in Baicheng City last year and further cultivated 70,000 mu farmlands in Baicheng City in current year. Based on the harvest results, the Group found that additional resources need to be deployed to improve production efficiency of the farmland in Baicheng City. Therefore, the Group had adjusted the per mu yield in the future forecast period.

Gain/(loss) arising from changes in fair value less costs to sell of biological assets

There was a gain from changes in fair value less costs to sell of biological assets of approximately RMB3,157,000 as compared with a loss of approximately RMB5,073,000 last year. Such gain was mainly due to the increase in biological assets planted by the Group during the year.

Operating Expenses

Total operating expenses decreased to approximately RMB309,360,000 (FY2015/16: approximately RMB634,392,000). Selling and distribution expenses were approximately RMB33,182,000 (FY2015/16: approximately RMB17,084,000), representing an increase of 94.2%, which was mainly used to promote “Garden Life” brand and “China Green Imperial Delicacy” brand. General and administrative expenses were approximately RMB276,178,000 (FY2015/16: approximately RMB617,308,000), representing a decrease of 55.3%, mainly due to the provision made on the direct tax expenses and other direct expenses such as legal and professional fees in relation to the disposal of beverage business operations in FY2015/16 which did not occur in FY2016/17.

Discontinued Operations

No revenue or expenses from discontinued operations has been recorded in FY2016/17 since disposal of its beverage business was completed on 23 March 2016.

Loss Attributable to Owners of the Company – Continuing and Discontinued Operations

Loss attributable to owners of the Company was approximately RMB1,146,816,000 in FY2016/17 (FY2015/16: approximately RMB961,113,000) as a result of (i) impairment losses recognized on the property, plant and equipment and long-term prepaid rentals and (ii) loss from operations.

Financial Position and Liquidity

As at 30 April 2017, the Group's total cash and cash equivalents amounted to approximately RMB1,357,295,000 (2016: approximately RMB1,961,542,000) whilst the total assets and net assets were approximately RMB3,419,768,000 (2016: approximately RMB4,909,382,000) and RMB2,394,332,000 (2016: approximately RMB3,088,475,000) respectively. The Group had current assets of approximately RMB1,741,732,000 (2016: approximately RMB2,495,050,000) and current liabilities of approximately RMB809,628,000 (2016: approximately RMB1,610,269,000). The current ratio was 2.15 times (2016: 1.55 times).

The Group's bank and other borrowings amounted to approximately RMB661,300,000 (2016: approximately RMB948,202,000), of which secured bank and other borrowings were approximately RMB541,300,000 (2016: approximately RMB689,625,000) and unsecured bank and other borrowings were approximately RMB120,000,000 (2016: approximately RMB258,577,000).

The Group's Convertible Notes amounted to approximately RMB116,227,000 (2016: Nil). There was no carrying amount of Convertible Bonds (as defined below) as at 30 April 2017 (2016: approximately RMB568,391,000).

The gearing ratio of the Group, defined as the total borrowings and Convertible Bonds or Convertible Notes to the shareholders' equity, amounted to 32.5% as at 30 April 2017 as compared with 49.1% as at 30 April 2016.

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 approximately RMB4,389,000 (FY2015/16: approximately RMB7,143,000), and impairment loss recognised on available-for-sale financial assets of approximately RMB18,581,000 (FY2015/16: approximately RMB115,280,000), mainly as a result of the recent volatility of the Hong Kong securities market.

As at 30 April 2017, the total fair value of the investment portfolio held by the Group was approximately RMB36,329,000 (2016: approximately RMB56,087,000) and consisted of financial assets at fair value through profit or loss of approximately RMB5,475,000 (2016: approximately RMB2,879,000) and available-for-sale financial assets of approximately RMB30,854,000 (2016: approximately RMB53,208,000). Available-for-sale financial assets were mainly composed of shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and they included (i) 51,954,000 shares of Convoy Global Holdings Limited ("Convoy Global", stock code: 1019), (ii) 11,724,000 shares of Tianyun International Holdings Limited ("Tianyun International Holdings", stock code: 6836) and (iii) 147,900,000 shares of China Demeter Financial Investments Limited ("CDFI", stock code: 8120). The shares of each of Convoy Global and Tianyun International Holdings were listed on the Main Board of the Stock Exchange and the shares of CDFI were listed on the Growth Enterprise Market of the Stock Exchange.

Having considered the financial performance and the business developments of these companies, such investments are not for the purpose of selling in the short term but for long-term investments of the Group, whilst the Group will continue to explore the investment and cooperation opportunities with all these companies, the Group will also review its investment strategy from time to time to take appropriate actions whenever necessary in response to changes in the market situation.

OUTLOOK AND PROSPECTS

In line with a higher demand on healthy diet and convenience amid a fast evolving society with improving living standards, there is an increasing demand for green and nutritious multi-grain products. As a result, prepared frozen food, which is convenient and fast to cook, becomes the priority of the urbanites.

The Group has been striving to create a comprehensive green ingredient supply chain over the years, and has leased 200,000 mu of farmland in Baicheng City, Jilin Province, as production base, in which 120,000 mu of farmland had begun cultivation of various multi-grain products. To satisfy the increasing demand for multi-grain products in the coming years, the Group will enhance its core competitiveness in the ingredient supply chain, while scaling up cultivation of farmland in Baicheng City to increase the supply of raw materials of multi-grain products.

Moreover, "Garden Life" (a green ingredient supply chain) and "China Green Imperial Delicacy" (a prepared frozen food brand), both of which were specifically created by the Group, to provide quality agricultural products as well as delicious, nutritious and green dining experience for various enterprises and end-customers. In coming years, the Group will devote more promoting efforts to build the aforesaid two brands as widely-known brands. Meanwhile, the Group will also continue to diversify products under the aforesaid two brands in order to provide customers with more choices for healthy and safe multi-grain products and fast-frozen food.

In terms of sales channel, in addition to food manufacturing companies and commercial supermarkets currently entered into cooperation with the Group, as well as online sales channels (including T-mall flagship store, WeChat mall of China Green (中綠微商城) and JD.com), the Group will further expand its online and offline sales channels. On one hand, the Group will expand its nationwide sales in various areas, including commercial supermarkets, catering and agricultural markets. For the purpose of providing the customers with special products and services related to the kitchen system, the Group will on the other hand develop an online kitchen interactive platform featuring green, safe, smart and professional characteristics. In this way, our customer base will be broadened and our market shares will be improved.

Besides focusing on expanding its existing businesses, the Group will also leverage on its almost 20 years of vast experience in the adoption of entirely green practice in cultivation and production to explore related potential projects, in order to grasp the business opportunities arising from agriculture and multi-grain industries, and to create long-term values with a view to becoming an "entirely green food expert" with a leading position in domestic and overseas markets.

CAPITAL STRUCTURE AND FUND RAISING ACTIVITIES

During the year ended 30 April 2017, a total of 5,750,000,000 shares were issued. As at 30 April 2017, the authorised share capital of the Company was HK$1,000,000,000 divided into 10,000,000,000 shares of the Company with par value of HK$0.1 each (the "Shares") and the issued share capital was HK$694,228,507.70 divided into 6,942,285,077 Shares.

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 (the "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 (the "Placing of New Shares"). The Placing of New Shares was completed on 12 August 2016 and an aggregate of 5,750,000,000 Placing Shares have been issued and allotted to the placees under specific mandate granted to the Directors by the shareholders of the Company (the "Shareholders") at the special general meeting held on 25 July 2016.

The net proceeds from the Placing of New Shares, after deduction of the commission and other expenses of the Placing of New Shares, amounted to approximately RMB473,784,000.

For details, please refer to the announcements of the Company dated 20 May 2016, 25 July 2016 and 12 August 2016, and the circular of the Company dated 8 July 2016.

Issue of Convertible Notes under specific mandate for loan restructuring and Subsequent Amendment to Terms and Conditions of the Convertible Notes

On 20 May 2016, the Company entered into a deed ("Supplemental Deed") with a lender regarding a loan in the principal amount of HK$190,000,000 (the "Loan"), which was made on 18 November 2015, and maturity date of which had been extended to 31 August 2016 pursuant to an extension agreement dated 18 May 2016 entered into between the parties. Pursuant to the Supplemental Deed, both parties agreed that the principal amount of the Loan shall be repaid by way of creating and issuing the direct, unconditional, unsubordinated and unsecured 12% convertible notes due 2017 ("Convertible Notes"), thereby enabling such lender to convert the principal amount of the Loan and the interest accrued thereon into Shares at the conversion price of HK$0.15 per share (subject to adjustments).

The issue of Convertible Notes was completed on 22 August 2016. Given that the Convertible Notes were issued to repay the Loan in full, no cash proceeds had been received by the Company in connection with such issue. The issue of the Convertible Notes could slow down the pace of cash outflow of the Company to repay the Loan. In addition, the issue of the Convertible Notes will broaden the capital base of the Company upon exercise of the conversion rights attaching to the Convertible Notes, if any.

On 15 December 2016, the Company and Noteholder entered into the modification deed in respect of deed poll constituting the Convertible Notes to amend certain terms and conditions of the Convertible Notes (the "Modification Deed"), pursuant to which the Company and the Noteholder agreed to amend certain terms and conditions of the Convertible Notes. Pursuant to the Modification Deed, (i) the maturity date of the Convertible Notes will be changed from the date falling on the first anniversary of the date of its issue to the date falling on the third anniversary of the date of its issue; (ii) the conversion price of the Convertible Notes will be changed from HK$0.15 per conversion share to HK$0.10 per conversion share; and (iii) the Convertible Notes will be changed from interest-bearing at a rate of 12% per annum to non-interest bearing ("Amendment to Terms and Conditions of the Convertible Notes").

Shareholders' approval on the Amendment to Terms and Conditions of the Convertible Notes had been obtained at the special general meeting of the Company held on 20 January 2017 and the Amendment to Terms and Conditions of the Convertible Notes became effective on 17 February 2017 whereby the restated Convertible Notes (the "Restated Convertible Notes") were issued to the Noteholder pursuant to the terms and conditions of the Modification Deed.

Upon full exercise of the conversion rights attaching to the Restated Convertible Notes at the aforesaid adjusted conversion price of HK$0.10, a total of 1,900,000,000 new Shares will fall to be issued. None of the Restated Convertible Notes was redeemed or converted during the year ended 30 April 2017.

For details, please refer to the announcements of the Company dated 20 May 2016, 25 July 2016, 22 August 2016, 15 December 2016, 20 January 2017, 25 January 2017 and 17 February 2017 and the circulars of the Company dated 8 July 2016 and 4 January 2017.

Redemption of the Convertible Bonds in full

On 18 August 2016, the Company redeemed the United States dollars ("US$") settled 7.00% secured convertible bonds due 2016 and the US$ settled 10.00% secured convertible bonds due 2016 (collectively, the "Convertible Bonds") in full at their outstanding principal amount plus accrued and default interest payable and accrued to the redemption date (i.e. 18 August 2016) ("Redemption of Convertible Bonds"). The Convertible Bonds therefore were cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 April 2017, the Group had contractual capital commitments of approximately RMB215,578,000 (2016: approximately RMB2,782,000).

As at 30 April 2017, 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 2017, certain property, plant and equipment and interests in leasehold land held for own use under operating leases with book value amounting to approximately RMB128,178,000 (2016: approximately RMB212,891,000) had been pledged to secure the Group's bank loans for the purpose of working capital, and the bank deposits amounting to approximately RMB130,000,000 (2016: approximately RMB287,231,000) had been pledged to secure the Group's bank loans and banking facilities.

Following the Redemption of Convertible Bonds in full on 18 August 2016, the Company has instructed the trustee to proceed with the relevant procedures for the release of the related shares charge, which have not yet been completed as at 30 April 2017 and as at the date of approval of the consolidated financial statements for the year ended 30 April 2017.

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 2017. The revenue, operating costs and bank deposits of the Group are mainly denominated in Renminbi ("RMB") and Hong Kong dollars ("HK$"). 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 pledged bank deposits, cash and cash equivalents, trade and other receivables, trade and other payables and bank and other 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

Disposal of the entire equity interest in 中綠（阜陽）飲品科技開發有限公司 (China Green (Fuyang) Beverages Science and Technology Development Limited*)

On 14 April 2017, the vendors, namely 中綠之源（廈門）貿易有限公司 (China Green Resources (Xiamen) Sales Co., Ltd.*) ("Xiamen Company") and 中綠（泉州）食品開發有限公司 (Zhonglu (Quanzhou) Green Foods Developing Co., Ltd.*) ("Quanzhou Company", together with Xiamen Company, the "Vendors"), both are indirect wholly-owned subsidiaries of the Company, 廈門高泉投資有限公司 (Xiamen Gaoquan Investment Co., Ltd.*) (the "Purchaser"), an independent third party, as purchaser and 中綠（阜陽）飲品科技開發有限公司 (China Green (Fuyang) Beverages Science and Technology Development Limited*) (the "Target Company") entered into an equity transfer agreement, which was further amended and supplemented by a supplemental agreement dated 14 April 2017 entered into by the same parties, pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the entire equity interest of the Target Company which is owned as to 1% by Xiamen Company and 99% by Quanzhou Company, representing 100% of the equity interest in the Target Company, at cash consideration of approximately RMB49,800,000 and a debt in the amount of approximately RMB45,200,000 due and owing by Quanzhou Company to the Target Company will be waived (the "Disposal").

As at the date of approval of the consolidated financial statements for the year ended 30 April 2017, the completion of the Disposal has not yet taken place. Relevant disclosure was made in the Company's announcement dated 17 April 2017.

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 2017, the number of staff and the staff remuneration of the Group were 454 (2016: 840) and approximately RMB39,609,000 (FY2015/16: approximately RMB68,832,000) respectively.

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

* *For identification purpose only*

SUBSEQUENT EVENTS

Capital Reorganisation

At the special general meeting held on 29 June 2017, the special resolution in relation to the capital reorganisation (the "Capital Reorganisation") comprising the capital reduction ("Capital Reduction") and the share subdivision ("Share Subdivision") was duly passed by way of poll and the Capital Reorganisation took effect on 30 June 2017. Details of the Capital Reorganisation are as follows:

(1) Capital Reduction:

The par value of each of the then issued shares of the Company was reduced from HK$0.10 each by cancelling the paid-up capital of the Company to the extent of HK$0.09 on each of the then issued shares of the Company by way of a reduction of capital, so as to form issued new shares with par value of HK$0.01 each. The credits arising from such reduction of the paid-up capital had been credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

(2) Share Sub-division:

Immediately following the Capital Reduction, each of the authorised but unissued shares of the Company of par value of HK$0.10 each was sub-divided into 10 new shares of the Company of par value of HK$0.01 each.

Placing of Notes

On 8 May 2017, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent, pursuant to which the placing agent agreed to act as placing agent of the Company, on a best endeavour basis, to procure the placee(s) to subscribe for the 7.00% per annum coupon notes ("Notes") to be issued by the Company in an aggregate principal amount of up to HK$150,000,000 maturing on the date falling on the first anniversary of the issue date of the Notes at the placing price equal to 100% of the principal amount of the Notes ("Placing of Notes"), subject to the terms and conditions of the Placing Agreement.

As at the date of the approval of the consolidated financial statements for the year ended 30 April 2017, no Note has been issued. For the details of the Placing of Notes, please refer to the announcement of the Company dated 8 May 2017.

Acquisition of Equity Interest in GFC Holdings Limited

On 17 July 2017, Easy Run Global Limited, a wholly-owned subsidiary of the Company, and GFC Holdings Limited ("GFC") entered into a subscription agreement, pursuant to which Easy Run Global Limited has conditionally agreed to subscribe for, and GFC has conditionally agreed to allot and issue, 94,603 new ordinary shares of GFC (the "Subscription Shares"), which shall represent approximately 36.00% of the enlarged issued share capital of GFC upon completion (as enlarged by the allotment and issue of the Subscription Shares) at the consideration of HK$36 million (the "Subscription"). GFC is an investment holding company and its subsidiaries are engaged in the provision of food catering services and operating restaurants, cafes and take-away outlets in Hong Kong.

Upon completion of the Subscription in July 2017, GFC has become an associate of the Company. For the details of the Subscription, please refer to the announcement of the Company dated 17 July 2017.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING PERIOD

This is the first Environmental, Social, and Governance ("ESG") Report issued by the Group, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Group is a green food provider in China supplying a wide range of agricultural products to the domestic market. Its major production base is the multi-grain farmland in Baicheng City, Jilin Province in which production of multi-grain products contributes to a major source of revenue to the Group. This ESG report covers the Group's overall performance in two subject areas, namely, Environmental and Social of the agricultural operation in the multi-grain farmland in Baicheng City, Jilin Province ("Baicheng Farmland") and the office operation (including canteen operation) in the office in Xiamen City, Fujian Province in China from 1 May 2016 to 30 April 2017, unless otherwise stated.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders have been involved in regular engagement sessions to discuss and to review areas of attention which will help the business to meet its potential growth and prepare for future challenges.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at ir@chinagreen.com.hk.

CHINA GREEN'S SUSTAINABILITY MISSION AND VISION

Our mission is to create a sustainable living culture from a global perspective, providing the world with green ingredient supply and contributing to sustainable development of our society. We are committed to paving the way for healthy and sustainable lifestyle, living in harmony with nature and placing values in:

- Technology – We make good use of our advanced technologies, keep track of international technological development to continuously explore, innovate and achieve breakthroughs in key technological areas, increasing our productivity and maintaining our leading position in the industry.

- Green – It is a global trend and corporate's responsibility to foster sustainable development. We achieve our mission by employing advanced technologies, maximizing the utilization of natural resources and protecting the environment.

- Harmony – We believe that harmony assembles and unites people, hence creating success in our business. We pledge to protect our employees' rights and benefits, promote and maintain harmony in our workplace.

A. ENVIRONMENTAL

Types of emission source the Group involved in the reporting period include petrol, diesel, liquefied petroleum gas ("LPG"), electricity, paper, water, and business air travel. Its operation also generates non-hazardous wastes and involves product packaging. Application of fertilizers and pesticides on farmland, irrigation water quality, environmental quality for soils, ambient air quality and emissions from canteen operation are in compliance with all applicable national standards, laws and regulations.

The Group understands that agricultural activities can bring soil damage, widespread contamination and pollution to land and waterways if managed improperly. Therefore, the Group manages its agricultural activities by implementing a standardized technological production system under the basic principles of pollution prevention, quality improvement and sustainable development.

Total floor area coverage for Baicheng Farmland and the office were 133.3 km^2 and 7,994 m^2 respectively. Baicheng Farmland produces multi-grain products including sweet corn, green beans, red beans and other fresh vegetables and fruits with a total production volume of 38,791 tonnes in the reporting period.

1. Greenhouse Gas Emission

Scope of Greenhouse Gas Emissions	Emission Sources	Emission[1] (in tCO_2e)[2]	Total Emission (in percentage)
Scope 1			
Direct Emission	Petrol consumed by Company Owned Fleet	65.96	
	Diesel consumed by Company Owned Fleet	20.90	
	LPG consumed by canteen	15.69	11%
Scope 2			
Indirect Emission	Purchased Electricity[3]	823.68	86%
Scope 3			
Other Indirect Emission	Paper Consumption	4.75	
	Water Consumption	5.73	
	Business Air Travel	16.22	3%
Total		952.93	100%

Notes:

1. Emission factors were made reference to Appendix 27 to the Listing Rules and their referred documentation issued by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
2. tCO_2e represents tonnes of carbon dioxide equivalent emission.
3. Combined margin emission factor (average) of 0.88 tCO_2/MWh was used for purchased electricity in Mainland China.

There were 952.93 tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's office operation in the reporting period. The annual emission intensity was 0.12 tco_2e/m^2.

2. Greenhouse Gas Emission Sources

(i) Direct Emission

During the reporting period, a total of 24,360 litres of petrol and 7,920 litres of diesel were used for the Group-owned vehicles, while 5.20 tonnes of LPG were used for cooking by the canteen. These contributed to a total of 0.49 kg of sulphur oxides, 0.96 kg of nitrogen oxides and 102.55 tonnes of carbon dioxide equivalent emission.

(ii) Electricity

The major electricity consumption of the Group is the electricity consumption by its office operation. During the reporting period, the electricity consumption by its office operation was 936,000 kWh, with an energy intensity of 117.09 kWh/m^2. In response to the National Energy Conservation and Emissions Reduction Policy, the Group implemented energy saving measures such as:

a. Adopting drip irrigation which consumes less energy than traditional irrigation whenever possible;

b. Using air conditioners with thermostats and sensors to maintain constant and reasonable room temperature; and

c. Reminding staff to turn off unnecessary lights, computers and equipment through energy saving signs and stickers in offices.

(iii) Water

The Group's agricultural operation consumes surface water mainly for irrigation and water for its office operation which is supplied by the public water utility company. During the reporting period, water consumption by the office operation was 9,600 m^3, with water intensity of 1.20 m^3/m^2. The Group strives to reduce water consumption and wastage by:

a. Adopting drip irrigation to reduce water wastage;

b. Implementing water saving initiatives according to the Water Consumption Plan developed by the Management Office and the Xiamen City's water saving targets; and

c. Reminding staff to conserve water resources through water saving signs and stickers in offices.

(iv) Waste

The Group generates no hazardous waste in its operation. Non-hazardous wastes from the Group's operation are mainly office paper, commercial waste and kitchen waste. All wastes are collected by licensed collectors.

Office Paper

A total of 990 kg of paper has been used for daily office operations such as documents printing and deliverables packaging. The Group pays effort in promoting a paperless office (through e-filing and online administrative system), reusing single-side used paper and constantly reminding staff to reduce paper use. It also uses eco-friendly toner cartridges in printers and encourages paper recycling by providing adequate recycling facilities in offices.

(v) Business Air travel

During the reporting period, employees travelled by air for meetings and collaboration, resulting in a total amount of 16.22 tonnes of carbon dioxide equivalent emission. The Group encourages the use of video-conference or teleconference to reduce unnecessary air travels.

3. Use of Resources

Apart from the consumption of petrol, diesel, electricity and water described above, the Group's operation also involves agrochemical application and product packaging.

(i) Agrochemical

When applying agrochemicals including fertilizers and pesticides, the Group complies with all applicable national standards to minimize the adverse impact on the environment. The following measures are also implemented to avoid soil damage, erosion and degradation:

a. Reducing application of agrochemicals whenever possible;

b. Promoting agricultural mechanization to reduce unnecessary application of agrochemicals;

c. Performing crop rotation to allow adequate replenishment of nutrients;

d. Deep ploughing to enhance soil fertility; and

e. Returning crop residues to soil for improving soil conditions.

(ii) Packaging Materials

The Group consumed 338,232 woven bags and 2,080 plastic bags for its product packaging in the reporting period.

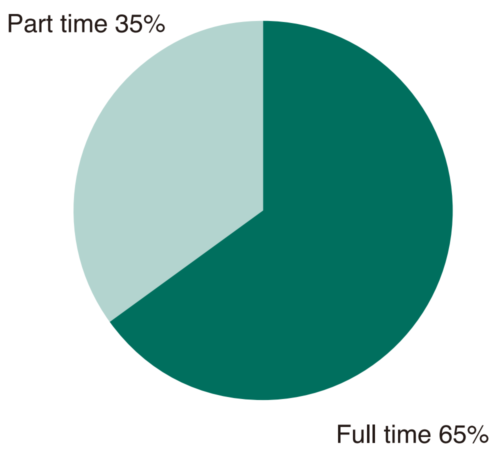
B. SOCIAL

1. Employment and Labour Practices

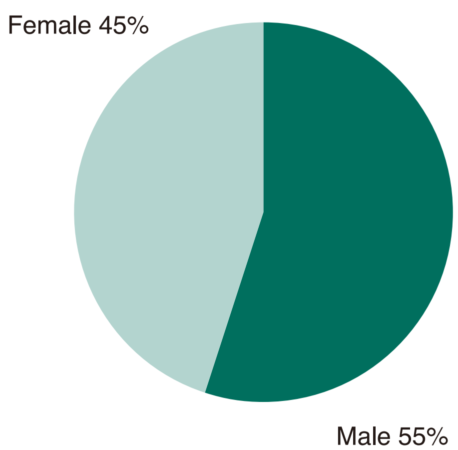
(i) Employment

Baicheng Farmland and the office in Xiamen City had a total number of 231 employees as of 30 April 2017, of which all employees were from Mainland China.

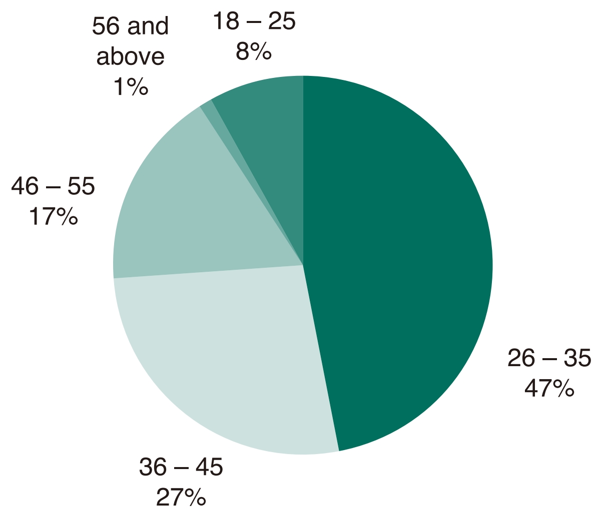
BY EMPLOYMENT TYPE



BY GENDER



BY AGE GROUP



Competitive Compensation and Benefits Package

The Group provides competitive compensation which is reviewed annually based on the Group's profit, employee's performance and the market trend. The salary is calculated as the basic salary with performance bonus, allowances with respect to the employee's position and duties, confidentiality fee and non-competition compensation. Standard working hours are 40 hours per week with compensation hours or payment provided for necessary overtime work. Employees are entitled to:

a. Social insurance including pension, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance;

b. Statutory leave and various types of leave including annual, marriage, maternity and compassionate leave;

c. Allowances including festival, marriage allowances and consolation fees; and

d. Awarding fund established by the Group.

Employees can access to the Management Handbook issued by the Group which stipulated the Group's policies on salary, dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare through the staff intranet. The Group is in compliance with all applicable laws of the PRC regarding labour rights and employment.

Equal Opportunity

The Group provides equal opportunities for employees in respect of recruitment, training and development, job advancement, and compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws of the PRC.

Employee Communication

Performance appraisal not only serves as a basis for job advancement, salary increment or transferral but also strengthens communication between employees and the management. Appraisers and appraisees discuss on the appraisal findings in a just, open and transparent manner which enhances understanding between employees and the management, and facilitates achievement of career and business goals. Employees can appeal against the appraisal results to their supervisors or the Human Resources Department if dispute arises.

To build harmonious relationships with and among employees, the Group gives celebration gifts and shares festive food (such as rice dumplings) with employees during the Lantern Festival, Chinese New Year, Tuen Ng Festival and Mid-Autumn Festival. It also organizes gathering activities during Women's Day.

Turnover Rate

A total number of 270 employees left the Group in FY2016/17, contributing to overall turnover rate of 116.88%. The annual turnover rates (categorized by gender and age groups) in the reporting period are as follows:

Annual Turnover Rate by Gender	Male	Female
FY2016/17	112%	123%

Annual Turnover Rate by Age Group	18 – 25	26 – 35	36 – 45	46 – 55	56 and above
FY2016/17	100%	101%	162%	98%	100%

The reason for high turnover rates in the reporting period is mainly due to the nature of the agricultural industry in which a considerable number of employees work only during growing seasons (6 months duration) with temporary contracts.

(ii) Employee Health and Safety

The Group is committed to complying and is in compliance with all applicable laws and regulations regarding occupational health and safety of the PRC. To ensure employees' health condition is suitable for work, employees are required to provide health check reports before employment. Employees handling food in production process and canteens are required to take annual health checks. The Group also ensure a safe working environment is provided.

Occupational Health and Safety Data	FY2016/17
Work related fatality	0
Work injury cases >3 days	0
Work injury cases <3 days	0
Lost days due to work injury	0

(iii) Development and Training

Training plans are developed annually according to the survey results regarding training and development needs completed by employees from different departments. Training courses provided by the Group include corporate culture training and product knowledge training. Employees also participate in external courses related to financial management and business etiquette. A total of 1,900 hours training courses were conducted in the reporting period.

	FY2016/17
Percentage of Employees Trained by Gender	
– Male	64%
– Female	36%
Percentage of Employees Trained by Employee Category	
– Senior Management	9%
– Middle Management	36%
– Other Employees	55%
Average Training Hours Completed per Employee by Gender	
– Male	30 hours
– Female	43 hours
Average Training Hours Completed per Employee by Employee Category	
– Senior Management	20 hours
– Middle Management	30 hours
– Other Employees	40 hours

(iv) Labour Standard

Pursuant to the Labour Law of the PRC, there was no child nor forced labour in the Group's operation. According to policy on human resources management, the Group performs background checks on candidates to verify their provided information (including identity documents, educational and qualification certificates) and ensure that no candidate below 18 years old is employed. The Group is in compliance with all relevant laws and regulations in the PRC.

2. Operating Practices

(i) Supply Chain Management

Procurement Management

The Group has procurement policy to ensure that procurement is carried out at the right time, quantity and quality. Procurement applications are approved by general managers and the directors of the operating subsidiaries of the Company. Three suppliers' quotations are generally obtained for comparison. Procurement price is verified and approved by the procurement managers, general managers and the directors of the operating subsidiaries of the Company. When purchasing agrochemicals, the Group purchases fertilizers and pesticides that are recommended by the government.

Quality Management

Details like quality, technical specification, required certifications are stated clearly in the procurement contracts. Suppliers passing the supplier check will be listed and rated in the Suppliers' List. Samples are obtained before procurement whenever possible and procured items are checked before acceptance. The Group ensures that suppliers agree on the quality assurance terms in the procurement contracts.

(ii) Product Responsibility

Food Health and Safety

The Group manages its food safety and quality upon the principle of "traceable source, controllable work process, trackable work flow, distinguishable responsibility and guaranteed quality". It implements pesticide residue control with imported technologies and equipment, analysing products' microorganisms and pesticide residues. Produces from the agricultural operation all undergo strict quality control to ensure that final products are 100% green and 100% healthy. The Group continuously improves its testing and analysing capabilities through training responsible staff and upgrading its analysis processes, to ensure compliance with all applicable national standards and requirements regarding food safety.

Food-related sub-contractors are regularly audited with quality tests performed by third party consultants. Food or final products not meeting required safety standards will be destroyed to avoid contamination. The Group also ensures that food contact packaging materials meet relevant quality and safety standards through explicit terms regarding quality assurance in contract. Food contact surfaces are regularly cleaned with food grade sanitizers and rinsed with water.

Product Labelling

Information on labels is in compliance with all the applicable standards and laws of the PRC, which provide customers with information including ingredients, nutritional information and elements that may lead to food allergy.

Product Recall

The Group is certified with ISO9001:2008 quality management system and in compliance with the national standard GB/T19001-2008. When products are found to be contaminated, violating national standards and laws in terms of quality or food safety, and/or proved to be causing undesirable effects on human health without labelling on the product's package, products will be recalled to minimize adverse impacts on clients and customers. Sales products in market are labelled with traceable production details and responsible persons which allow recalling of certain contaminated or substandard products. All recall cases will be handled cautiously, investigated, rectified and evaluated to avoid reoccurrence.

Customer Service

The policy on complaint management ensures that customers' grievances are settled with a high level of satisfaction, and rectifying and preventative measures are implemented promptly after receipt of grievances to minimize adverse impact on customers and the Group. The Group received no product or service related complaints in the reporting period.

Intellectual Property Rights and Confidential Information

The policy on intellectual property ("IP") rights ensures that all national laws and regulations regarding IP rights and trademarks are complied with. Any infringement of the Group-owned IP rights will be reported to the Legal Department. The Legal Department will take appropriate actions with respect to the infringement situation.

To ensure that the Group's rights and confidential information are protected, the policy on confidentiality stipulates information required to be kept confidential and measures to protect confidential information. Any breach of the policy can be subject to disciplinary action or a lawsuit for any resulting damages.

Suppliers are also required to sign procurement contracts with terms regarding protection of IP rights and confidential information.

(iii) Anti-corruption

The Group sets out the code of conduct which requires staff to uphold the highest level of integrity, honesty and ethics. Any bribery, extortion, fraud and money laundering or activities that may harm the Group's interests and reputation is prohibited according to the applicable laws of the PRC regarding anti-bribery and anti-corruption. It has investigation management procedure for any lodged complaints of misconduct or improprieties. The Group encourages reporting of misconduct and improprieties to maintain ethical and professional conduct of employees. Person who raised a complaint that is proven to be true after investigation will be awarded. The Group is in compliance with all relevant laws and regulations of the PRC.

3. Community Investment

Apart from promoting healthy and sustainable lifestyle among employees, its community and the general public, the Group cares for the next generation and contributes to nourishing the children. In the reporting period, the Group donated a total of RMB10,000 to Hui'an County Songshan Primary School in Quanzhou City, Fujian Province of the PRC, for purchasing necessary equipment for effective teaching and learning.

FUTURE DIRECTIONS FROM THE GROUP

The Group will place its focus on enriching research, improving agricultural and quality assurance technologies to provide safe and healthy food supply to the public. To help tackling climate change, the Group will also explore opportunities in reducing application of agrochemicals and use of natural resources throughout its operation.

CORPORATE GOVERNANCE REPORT

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 (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. During the year ended 30 April 2017, 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.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. Prior to 26 July 2016, 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 ("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 details 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 chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. Mr. Sun Shao Feng, the Chairman, did not attend the annual general meeting of the Company held on 30 September 2016 (the "2016 AGM") due to dealing with his official engagement.

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 Directors confirmed that they have complied with the required standards as set out in the Model Code during the year ended 30 April 2017.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategies as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall strategies 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 Board has delegated to the management the authority and responsibility for daily management of the Group, implementation of strategies approved by the Board, monitoring operating budgets, implementation of internal control procedures, and ensuring compliance with relevant statutory requirements and other rules and regulations. 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 46 to 49 under the section headed "Directors and Senior Management".

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 2017 to the Company. During the year ended 30 April 2017, each of the Directors participated in continuous professional development by reading materials relating to the discharge of their duties and responsibilities and regulatory updates.

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.

Chairman and Chief Executive Officer

The roles of Chairman and CEO are not separate and Mr. Sun Shao Feng currently performs these two roles.

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 gave an annual confirmation of his/her independence to the Company pursuant to Rule 3.13 of the Listing Rules, and the Company considers that all independent non-executive Directors are independent.

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	0/3	–	–	–	–
Mr. Chen Changgai	4/4	3/3	–	1/1	1/1	–
Independent Non-executive Directors:						
Mr. Hu Ji Rong	2/4	2/3	1/3	1/1	1/1	1/1
Mr. Wei Xiongwen	3/4	0/3	3/3	1/1	1/1	1/1
Mr. Zeng Shaoxiao	3/4	2/3	3/3	1/1	1/1	1/1
Ms. Yu Xiao Min	2/4	1/3	–	–	–	–

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 year ended 30 April 2017, 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 have unrestricted access to the advice and services of the Company Secretary, and have the liberty to seek external professional advice upon reasonable request.

General Meetings

During the year ended 30 April 2017, 3 general meetings of the Company were held, being the 2016 AGM held on 30 September 2016 and 2 special general meetings held on 25 July 2016 and 20 January 2017 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 of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Hu Ji Rong (as committee 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; reviewing, in draft form, the interim and annual reports and accounts of the Group and significant financial reporting judgements contained therein; and overseeing the Company's financial reporting system, and the risk management and internal control systems.

During the year ended 30 April 2017, the Audit Committee held 3 meetings, at which the members of the Audit Committee principally (i) reviewed the Group's annual financial statements for the year ended 30 April 2016 and recommend the re-appointment of the external auditors; (ii) reviewed the Group's interim financial statements for the six months ended 31 October 2016; and (iii) recommended to the Board of the engagement of external professional party to review the Group's internal control environment for the year ended 30 April 2017 and assist the Group to adopt and implement the Enterprise Risk Management systems. 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 consolidated financial statements for the year ended 30 April 2017 have been reviewed by the Audit Committee and the Audit Committee is of the opinion that such financial statements are complied with applicable accounting standards, the Listing Rules and other legal requirements and that adequate disclosures have been made.

The Audit Committee also reviewed the Company's financial controls, internal control and risk management systems and noted that review of the same shall be carried out annually.

NOMINATION COMMITTEE

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

The terms of reference of the Nomination 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 Nomination Committee is mainly responsible for reviewing the structure, size and diversity 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 relevant to the Company's business, the Nomination Committee considered that the existing Board was 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 year ended 30 April 2017, the Nomination Committee held 1 meeting, at which the Nomination Committee 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.

REMUNERATION COMMITTEE

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

The terms of reference of the Remuneration 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 Remuneration Committee is mainly responsible for making 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.

The Remuneration Committee has adopted the approach under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on remuneration packages of the Directors and the senior management.

During the year ended 30 April 2017, the Remuneration Committee held 1 meeting, at which the Remuneration Committee reviewed the policy and structure of remuneration 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 to the Board on granting of annual bonus to executive Directors and the renewal of the term of appointment of an independent non-executive Director with same remuneration level.

The Company has adopted a share option scheme on 18 October 2013 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution 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 service agreement/appointment letter 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.

The remuneration of the Directors and senior management of the Company for the year ended 30 April 2017, 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	0
HK$2,000,001 to HK$3,000,000	1
Above HK$3,000,001	1

Details of the remuneration of Directors and senior management are set out in notes 9 and 10 to the consolidated financial statements.

CORPORATE GOVERNANCE COMMITTEE

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

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

The CG Committee is mainly responsible for developing and renewing the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements and making recommendations to the Board; as well as reviewing the Company's disclosure in the Corporate Governance Report and relevant corporate governance matters.

During the year ended 30 April 2017, the CG Committee held 1 meeting, at which the CG Committee reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of Directors and the Company's compliance with the CG Code.

AUDITORS' REMUNERATION

During the year, 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	1,392
Non-audit services *(Note)*	9
	1,401

Note: the non-audit services comprised tax advisory services.

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. Cheng Kim Ping, 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 year ended 30 April 2017.

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 is 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 registered office 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 2017, 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 AND RISK MANAGEMENT

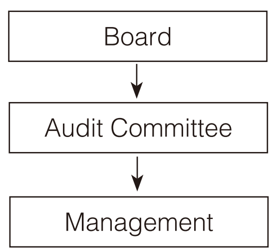
The Board's Responsibilities for the Risk Management and Internal Control Systems

The Board acknowledges that it is responsible for the risk management and internal control systems and oversees such systems on an ongoing basis, while ensuring a review of the effectiveness of these systems of the Group being conducted at least annually. The scope of such review covers all material controls, including financial, operational and compliance controls. The Group's risk management and internal control systems are designed to manage risks rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the year ended 30 April 2017.

Main Features of the Risk Management System

The Company recognises that good risk management is essential for the long-term and sustainable growth of a business. The Group has established a governance structure and the major responsibilities of each role of the structure are summarized below:



Role	Major Responsibilities
Board	— determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives; — oversees management in the design, implementation and monitoring of the risk management and internal control systems; and — oversees the Group's risk management and internal control systems on an ongoing basis and ensures that the Company establishes and maintains appropriate and effective risk management and internal control systems.

Role	Major Responsibilities
Audit Committee	— reviews the effectiveness of the Group's risk management and internal control systems at least annually, and such review should cover all material controls including financial, operational and compliance controls; — reviews the emerging risks of the Group annually, and the risk management and the internal controls in place to address those risks; — discusses the risk management and internal control systems with management of the Group to ensure that the management of the Group has performed its duty to have effective systems; and — considers major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings.
Management	— designs, implements and assesses on an ongoing basis, the Group's risk management and internal control systems; — gives prompt response to, and follow up on the investigation findings on risk management and internal control matters as delegated by the Board, on Audit Committee's initiative or raised by the external risk management and internal control review advisor(s); and — provides confirmation to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems.

Main Features of the Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

Control Environment	—	a set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
Risk Assessment	—	a dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
Control Activities	—	actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
Information and Communication	—	internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
Monitoring	—	ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

Process used to Identify, Evaluate and Manage Significant Risks

Identification	—	identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
Evaluation	—	analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
Management	—	consider the risk responses, set up dedicated task force to consider relevant alleviating measures as and when necessary, ensure effective communication with the Group (including the Board) and on-going monitor the residual risks.

Process used to Review the Effectiveness of the Risk Management and Internal Control Systems and to Resolve Material Internal Control Defects

Review report of internal control and risk management systems is submitted to the Audit Committee and the Board annually. The Board, through the Audit Committee, performs a review on the effectiveness of the Group's risk management and internal control systems, including, but not limited to, (i) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, (ii) the extent and frequency of communication of monitoring results with the Audit Committee and the Board which enables them to assess control of the Company and the effectiveness of risk management, (iii) significant control failings or weaknesses that have been identified, and (iv) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance.

The Company engaged an external advisory firm to conduct a review on the Group's internal control environment for the year ended 30 April 2017 and assist the Group of the adoption and implementation of the Enterprise Risk Management systems. Results of the review were reported to the Audit Committee and the Board. Based on the findings and recommendations of the external advisory firm and confirmation of the management as well as the recommendation of the Audit Committee, the Board considered the risk management and internal control systems are effective and adequate. No significant areas of concern that might affect the financial, operational, compliance controls, and risk management functions of the Group were identified. The scope of such review covers the adequacy of resources, training programmes, budgets, qualifications and experience of staff of the Group's accounting and financial reporting functions and their attitude against internal control of the Group. The Board will continue to work with the management to discuss and follow up on the status of remediation of the internal control weaknesses, if any, and to monitor the risks of the Group in the coming years.

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

Certain measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include the following:

– The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

– All employees are required to strictly adhere to the employment terms regarding the management of confidential information.

– Code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage.

In addition, all employees are required to strictly adhere to the rules and regulations regarding the management of inside information, including that all employees who, because of his/her office or employment, are likely to be in possession of inside information in relation to the Company, are required to comply with the Model Code.

The Group complies with the requirements of the Securities and Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures that the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in the announcements or circulars of the Company is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

INTERNAL AUDIT FUNCTION

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Sun Shao Feng ("Mr. Sun") (孫少鋒), aged 52, the Chairman, CEO and founder of the Group. He is also an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules and director of most of the 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. In 2010, he was honorably awarded the "Award for Outstanding Contribution for Fujian Merchants in Haixi" (「閩商建設海西突出貢獻獎」) by Fujian Provincial People's Government (福建省人民政府). In 2012, he was elected as the representative of the fourteenth Municipal People's Congress of Xiamen City (廈門市第十四屆人民代表大會), and was re-elected as the member of the Municipal Committee of the eleventh Chinese People's Political Consultative Conference of Quanzhou City (第十一屆泉州市政協委員會). In 2016, Mr. Sun served as president of the sixth executive commission (council) of Federation of Industry and Commerce of Huli District, Xiamen City (廈門市湖裡區工商聯第六屆執委(理事)會), and the vice president of the thirteenth session of Federation of Industry and Commerce of Xiamen City (廈門市工商聯). In 2017, Mr. Sun was honorably awarded the "2017 Most Wealthy and Intelligent Figures" (「2017最佳財智人物」) by the sixth China Finance Summit (第六屆中國財經峰會). Mr. Sun is a director of Capital Mate Limited, which is interested in the Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Chen Changgai ("Mr. Chen") (陳昌概), aged 37, 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 Nomination Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hu Ji Rong ("Mr. Hu") (胡繼榮), aged 60, was appointed as an independent non-executive Director on 6 September 2002. Mr. Hu is a professor at Fuzhou University (福州大學) and currently the secretary-general of Fujian Internal Audit Association (福建省內部審計協會). He 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. Mr. Hu holds a Certified Public Accountant license in the PRC. He had been an associate dean in Zhicheng College of the Fuzhou University and the deputy head of Accounting Department in the College of Management of Fuzhou University. 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, Remuneration Committee and CG Committee, and a member of the Nomination Committee.

Mr. Wei Xiongwen ("Mr. Wei") (魏雄文), aged 49, 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 practicing 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, Remuneration Committee, Nomination Committee and CG Committee.

Mr. Zeng Shaoxiao ("Mr. Zeng") (曾紹校), aged 36, 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 professor of College of Food Science and an assistant to the dean at Fujian Agriculture and Forestry University. He is also the vice president of Fujian Food Industry Association, a director of Fujian Institute of Food Science and Technology, and a director of Fujian Nutrition Association. Mr. Zeng has been engaged in researches in fruit and vegetable processing, starch chemistry and function, evaluation of food safety and function, and has been a visiting scholar of The University of Georgia for one year. In recent years, he is the major co-operator 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, Remuneration Committee and CG Committee.

Ms. Yu Xiao Min ("Ms. Yu") (庾曉敏), aged 48, 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 holds a master's degree in business administration. Ms. Yu was 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, from February 2012 to December 2016.

SENIOR EXECUTIVES

Mr. Lin Bing Wen ("Mr. Lin") (林炳文), aged 49, is the director of production division of the prepared frozen food center. He joined the Group in January 2001. Prior to joining the Group, Mr. Lin was the person-in-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 ("Ms. Chen") (陳冰玲), aged 42, is an assistant president. Ms. 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. Chen Wen Zhong 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 guidance and management of research and development, quality control and product safety of the Group. 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".

Mr. Liu Bin ("Mr. Liu") (劉斌), aged 39, is the deputy general manager of prepared frozen food center of the Group. Prior to joining the Group, Mr. Liu was the marketing director of Haocaitou Fujian Food Co., Ltd. (福建好彩頭食品股份有限公司).

DIRECTORS' REPORT

The Directors are pleased to present to the Shareholders the annual report and audited financial statements of the Group for the year ended 30 April 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investments holding. The activities of its subsidiaries are set out in note 36 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 April 2017 by business segments is set out in note 14 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 April 2017 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 68 to 73 of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2017 (2016: Nil).

BUSINESS REVIEW

A detailed review on the Group's business performance and the material factors underlying its financial position, as well as the development, likely future prospects of the Group's business and significant events that have an effect on the Group subsequent to the year ended 30 April 2017 are provided throughout this annual report and in particular under the following separate sections:

(a) review of the Company's business and financial position, and development and future prospects of the Company's business are shown in the "Chairman's Statement" and "Management Discussion and Analysis" section of this annual report;

(b) details of key performance indicators are shown in the sections headed "Financial Highlights" and "Management Discussion and Analysis" of this annual report; and

(c) significant events that have an effect on the Group subsequent to the year ended 30 April 2017 are shown in the "Management Discussion and Analysis" section of this annual report.

These discussions form part of this Directors' Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks, including 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) Risk of Unfavourable 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. 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 the agricultural products, resulting in a significant decrease in sales with an adverse effect on the Group's profitability. The management will consider planting of wind-resisting agricultural products during typhoon season, complete all precautions and consider harvesting before typhoon season commences to minimize the losses.

(b) Risk of Product Prices Fluctuation

Prices of agricultural products depend on supply and demand, macro economy, and purchasing power and confidence of the consumer. Products prices of the Group's agricultural products and hence the Group's financial results may be adversely affected by excessive supply of agricultural products in the markets.

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) Risk of Product Safety and Quality

Product safety and quality are particularly important to the agricultural industry. Failing to maintain tight quality control may lead to the production of low quality products and eventually lead to complaints, claims, product recall, fine and damage to reputation and goodwill.

The Group continues to strive to produce high-quality and safety products through Raw Materials Tracing System and Quality Assurance System.

(d) Risk of Rapid Changes in Economy, Industry and Compliance Environment

There are rapid changes in economy, industry and compliance environment. Mechanism is required to be established to identify and respond to such changes. Specific measures taken to cope with the changes include arranging staff of the legal department to attend seminars and workshops so as to update and refresh their knowledge, give briefings to senior management and relevant employees, provide orientation programme to the new recruits and keep track of the market price movement.

(e) Financial Risk

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. For details, please refer to note 33 to the consolidated financial statements.

(f) Risk of Losing Key Personnel

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 has been devoting resources to 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. The Group pledges to protect employees' rights and benefits, promote and maintain harmony in its workplace.

(ii) Customers

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

(iv) Community

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

Further discussions on the relationship with key stakeholders is set out in the ESG Report.

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.

Further discussions on the environmental policies and performance is set out in the ESG Report.

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.

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. The Group's establishment and operations accordingly shall comply with all PRC laws and applicable laws in the jurisdictions where it has operations.

To the best of the Directors' knowledge, information and belief, during the year ended 30 April 2017 and up to the date of this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

Further discussions on the Group's compliance with laws and regulations is set out in the ESG Report.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years ended 30 April 2017, as extracted from the audited consolidated financial statements of the Company is set out on page 176 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

As at 30 April 2017, the authorised share capital of the Company was HK$1,000,000,000 divided into 10,000,000,000 Shares and the issued share capital was HK$694,228,507.70 divided into 6,942,285,077 Shares.

Details of movements in the share capital of the Company during the year, together with the reasons thereof, are set out in the sub-section headed "Capital Structure and Fund Raising Activities" in the "Management Discussion and Analysis" section of this annual report and note 31 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 72 of this annual report and note 31 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 30 April 2017 are set out in note 15 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's contribution surplus in the amount of approximately RMB688,683,000 (2016: approximately RMB688,683,000) is available for distribution to its 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 2017, the reserves of the Company were not available for distribution (2016: Nil). In addition, the Company's share premium account, in the amount of approximately RMB1,153,757,000 at 30 April 2017 (2016: approximately RMB1,172,019,000), 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 its existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save as the Redemption of Convertible Bonds as disclosed in the section headed "Management Discussion and Analysis" of this annual report, 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 2017.

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

INDEPENDENCE NON-EXECUTIVE DIRECTORS

In compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Board consisted of four independent non-executive Directors during the year ended 30 April 2017, with an independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. During the year ended 30 April 2017 and as of the date of this annual report, the number of independent non-executive Directors represents more than one-third of the Board as required under the Listing Rules. As such, there is a strong independent element in the Board to provide independent judgement.

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 Board has assessed their independence and concluded that all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE AGREEMENTS

Pursuant to the Bye-laws, Mr. Sun Shao Feng and Mr. Wei Xiongwen will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "2017 AGM").

None of the Directors who are proposed for re-election at the 2017 AGM 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 46 to 49 of this annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 April 2017, 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 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 Shares held	Approximate percentage of shareholding in the Company
Mr. Sun Shao Feng	Interest of controlled corporation	Long position	366,546,600 *(Note)*	5.28%

Note: These 366,546,600 Shares are held through 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, the Chairman, an executive Director 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.

SHARE OPTION SCHEME

On 18 October 2013, the Company adopted the Share Option Scheme. The purpose of the Share Option Scheme is to enable the Board to grant options to eligible participants including Directors, 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 annual general meeting of the Company held on 30 September 2016, a resolution relating to the refreshment of the scheme mandate limit under the Share Option Scheme was passed by the Shareholders as an ordinary resolution of the Company, whereby the total number of Shares that could be issued upon exercise of all share options that could be granted under the Share Option Scheme mandate limit was 694,228,507 Shares, representing approximately 10% of the Shares in issue as at the date of passing such resolution.

(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 thinks 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 was 694,228,507 shares, representing approximately 10% of the shares of the Company 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 of 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 2017, 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 of the Company as recorded in the register required to be kept under section 336 of the SFO:

Interests or short positions in Shares and underlying shares of the Company

Name of Shareholder	Capacity	Position	Number of Shares held	Number of underlying shares held *(Note 5)*	Approximate percentage of the Company's issued share capital *(Note 1)*
Capital Mate *(Note 2)*	Beneficial owner	Long position	366,546,600	–	5.28%
Convoy Collateral Limited *(Note 3)*	Beneficial owner	Long position	–	1,900,000,000	27.37%
Convoy Global Holdings Limited *(Note 3)*	Interest of controlled corporation	Long position	–	1,900,000,000	27.37%
Jun Yang Financial Holdings Limited *(Note 4)*	Interest of controlled corporation	Long position	444,168,000	–	6.40%

Notes:

1. The percentage represents the number of Shares/underlying shares of the Company over the total number of issued Shares as at 30 April 2017 (i.e. 6,942,285,077 Shares).

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.

3. Based on the notice of disclosure of interests of Convoy Global Holdings Limited and Convoy Collateral Limited filed with the Stock Exchange on 21 February 2017 respectively, these interests are held by Convoy Collateral Limited, which is wholly-owned by Convoy (BVI) Limited, which is in turn wholly-owned by Convoy Global Holdings Limited.

4. Based on the notice of disclosure of interests of Jun Yang Financial Holdings Limited filed with the Stock Exchange on 22 September 2016, these interests are held by Classictime Investments Limited, which is a wholly-owned subsidiary of Jun Yang Financial Holdings Limited.

5. The number of underlying shares of the Company held includes the maximum number of conversion shares to be issued upon full exercise of the conversion rights attaching to the Restated Convertible Notes.

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 Share or underlying shares of the Company as at 30 April 2017.

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 Directors confirmed that they have complied with the required standards as set out in the Model Code during the year ended 30 April 2017.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or a controlling shareholder of the Company had, whether directly or indirectly, a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 30 April 2017, 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 38 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 66.5% of the Group's purchase and the largest supplier to the Group was approximately 34.8% of the Group's purchase for the year ended 30 April 2017.

The aggregate percentage of turnover attributable to the Group's five largest customers was approximately 31.9% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer was approximately 10.3% of the Group's turnover for the year ended 30 April 2017.

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 PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The Bye-laws provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Save for the above, at no time during the year ended 30 April 2017 and up to the date of this annual report, there was any permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) being in force for the benefit of any of the Directors (whether made by the Company or otherwise) or any of the directors of an associated company (if made by the Company).

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 ended 30 April 2017 and up to the date of this annual report.

SUBSEQUENT EVENTS

For the details of the subsequent events, please refer to the "Management Discussion and Analysis" section of this annual report.

DONATION

During the year ended 30 April 2017, the Group made charitable donations amounting to RMB10,000 (2016: RMB250,000) in the PRC and Nil (2016: HK$800,000) in Hong Kong.

AUDITORS

A resolution will be proposed at the 2017 AGM to re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2017 AGM is scheduled to be held on Thursday, 28 September 2017. A notice convening the 2017 AGM will be issued and dispatched to the Shareholders on Tuesday, 29 August 2017.

For determining the entitlement to attend and vote at the 2017 AGM, the register of members of the Company will be closed from Friday, 22 September 2017 to Thursday, 28 September 2017, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2017 AGM, all transfers of shares of the Company accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 September 2017.

On behalf of the Board

China Green (Holdings) Limited
Sun Shao Feng
Chairman

Hong Kong, 25 July 2017

INDEPENDENT AUDITORS' REPORT

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
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Green (Holdings) Limited ("Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 68 to 175, which comprise the consolidated statement of financial position as at 30 April 2017, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 April 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Refer to note 18 to the consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
The Group has property, plant and equipment, long term prepaid rentals and interest in leasehold land held for own use under operating leases of approximately RMB1,137,541,000, RMB335,443,000 and RMB123,208,000 as at 30 April 2017 respectively. Management performed impairment assessment and concluded that an impairment loss on property, plant and equipment and long term prepaid rentals of approximately RMB519,304,000 and RMB204,454,000 was recognised respectively. This conclusion was based on value in use model that required significant management judgement with respect to the discount rate and the underlying cashflows, in particular future revenue growth and capital expenditure. Independent external valuations were obtained in order to support management's estimates.	Our procedures in relation to management's impairment assessment of property, plant and equipment, long term prepaid rentals and interest in leasehold land held for own use under operating leases included: • Evaluating of the independent valuer's competence, capabilities and objectivity; • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and • Checking, on sampling basis, the accounting and relevance of the input data used. We found the key assumptions were supported by the available evidence.

Valuation of convertible notes and derivative financial liability

Refer to note 30 to the consolidated financial statements

Key audit matters	How our audit addressed the key audit matter
The Group has convertible notes and derivative financial liability of approximately RMB116,227,000 and RMB5,575,000 as at 30 April 2017 respectively. The Group recognised a fair value loss of approximately RMB59,392,000 and RMB26,588,000 in its consolidated statement of profit or loss and other comprehensive income due to the loan restructuring and modification of certain terms of the convertible notes during the year ended 30 April 2017. The fair value change of the derivative financial liability recognised in the Group's consolidated statement of profit or loss and other comprehensive income during the year 30 April 2017 amounted to approximately RMB136,088,000. The assessment of the fair value of convertible notes and derivative financial liability involve significant judgement in determining the value of key inputs, share price volatility and risk free rate to be applied. Independent external valuations were obtained in order to support managements estimates.	Our procedures in relation to management's assessment of the fair values of the convertible notes and derivative financial liability included: • Reviewed the convertible notes deed, modification deed and relevant supporting documents; • Evaluating of the independent valuer's competence, capabilities and objectivity; • Assessing the methodologies used and the appropriateness of the key assumptions based on knowledge of the relevant finance instrument and using our valuation experts; • Challenging the reasonableness of key assumptions based on our knowledge of the finance instrument; and • Checking, on sampling basis, the accounting and relevance of the input data used. We found the key assumptions were supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Hon Koon Fai, Alex.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number: P05029

Hong Kong, 25 July 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2017

	Notes	2017 RMB'000	2016 RMB'000
CONTINUING OPERATIONS			
Turnover	4	**221,885**	406,980
Cost of sales		**(302,504)**	(349,613)
Gross (loss)/profit		**(80,619)**	57,367
Other revenue	5(a)	**23,940**	13,723
Other gains and losses	5(b)	**31,699**	(123,657)
Gain/(loss) arising from changes in fair value less costs to sell of biological assets		**3,157**	(5,073)
Impairment loss on property, plant and equipment	15	**(519,304)**	(216,147)
Impairment loss on long-term prepaid rentals	17	**(204,454)**	(402,163)
Impairment loss on interests in leasehold land held for own use under operating leases	16	**–**	(28,151)
Net gain arising from changes in fair value of other financial liabilities		**–**	36,267
Selling and distribution expenses		**(33,182)**	(17,084)
General and administrative expenses		**(276,178)**	(617,308)
Loss from continuing operations		**(1,054,941)**	(1,302,226)
Finance costs	6(a)	**(79,801)**	(118,450)
Loss before taxation from continuing operations	6	**(1,134,742)**	(1,420,676)
Income tax	7	**(12,074)**	7,076
Loss for the year from continuing operations attributable to owners of the Company		**(1,146,816)**	(1,413,600)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations attributable to owners of the Company	8	**–**	452,487
Loss for the year attributable to owners of the Company		**(1,146,816)**	(961,113)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2017

	Notes	2017 RMB'000	2016 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		**(21,109)**	(54,271)
Reclassification adjustment relating to available-for-sale financial assets		**–**	4,309
Total comprehensive loss for the year attributable to owners of the Company		**(1,167,925)**	(1,011,075)
Loss per share attributable to owners of the Company			
From continuing and discontinued operations (RMB cents)			
– Basic	12	**(21.56)**	(88.47)
– Diluted		**(21.56)**	(88.47)
From continuing operations (RMB cents)			
– Basic	12	**(21.56)**	(130.11)
– Diluted		**(21.56)**	(130.11)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2017

	Notes	2017 RMB'000	2016 RMB'000
Non-current assets			
Fixed assets			
– Property, plant and equipment	15	**1,137,541**	1,700,207
– Interests in leasehold land held for own use under operating leases	16	**120,171**	122,600
Long-term prepaid rentals	17	**296,497**	531,640
Deposit paid for property, plant and equipment	22	**90,079**	–
Available-for-sale financial assets	19	**33,748**	59,885
		1,678,036	2,414,332
Current assets			
Inventories	20	**911**	6,723
Biological assets	21	**16,444**	12,000
Current portion of long-term prepaid rentals	17	**38,946**	72,002
Trade and other receivables	22	**142,901**	152,673
Financial assets at fair value through profit or loss	23	**5,475**	2,879
Pledged bank deposits	24	**130,000**	287,231
Cash and cash equivalents	25	**1,357,295**	1,961,542
		1,691,972	2,495,050
Assets classified as held for sale	26	**49,760**	–
		1,741,732	2,495,050
Current liabilities			
Trade and other payables	27	**154,949**	215,872
Bank and other borrowings	28	**631,300**	808,202
Income tax payable	29	**17,804**	17,804
Derivative financial liability	30	**5,575**	–
Convertible bonds	30	**–**	568,391
		809,628	1,610,269

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2017

	Notes	2017 RMB'000	2016 RMB'000
Net current assets		**932,104**	884,781
Total assets less current liabilities		**2,610,140**	3,299,113
Non-current liabilities			
Deferred tax liabilities	29	**69,581**	70,638
Convertible notes	30	**116,227**	–
Bank and other borrowings	28	**30,000**	140,000
		215,808	210,638
Net assets		**2,394,332**	3,088,475
Capital and reserves			
Share capital	31	**590,615**	98,571
Reserves	31	**1,803,717**	2,989,904
Total equity attributable to owners of the Company		**2,394,332**	3,088,475

Approved and authorised for issue by the board of directors on 25 July 2017.

Sun Shao Feng
Director

Chen Changgai
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2017

	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 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 income/(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 and 1 May 2016	98,571	1,172,019	249,850	–	14,694	394,281	40,071	(158,205)	1,277,194	3,088,475
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	–	(21,109)	–	(21,109)
Loss for the year	–	–	–	–	–	–	–	–	(1,146,816)	(1,146,816)
Total comprehensive loss for the year	–	–	–	–	–	–	–	(21,109)	(1,146,816)	(1,167,925)
Redemption of the convertible bonds	–	–	–	–	–	–	(40,071)	–	40,071	–
Issue of shares upon placing, net of transaction cost	492,044	(18,262)	–	–	–	–	–	–	–	473,782
As at 30 April 2017	**590,615**	**1,153,757**	**249,850**	**–**	**14,694**	**394,281**	**–**	**(179,314)**	**170,449**	**2,394,332**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 April 2017

	Notes	2017 RMB'000	2017 RMB'000	2016 RMB'000	2016 RMB'000
Operating activities					
Cash used in operations	25		**(280,365)**		(54,407)
PRC enterprise income tax paid			**(13,131)**		(77,449)
Net cash used in operating activities			**(293,496)**		(131,856)
Investing activities					
Payments of interests in leasehold land held for own use under operating leases		**–**		(13,767)	
Payment for purchase of fixed assets	15	**(105,004)**		(88,549)	
Deposit paid for property, plant and equipment	22	**(90,079)**		–	
Proceeds from disposals of subsidiaries, net of cash disposed		**–**		1,519,948	
Decrease/(increase) in available-for-sale financial assets		**7,556**		(129,410)	
Decrease in pledged bank deposits		**157,231**		398	
Interest received		**38,391**		4,037	
Dividend income from financial assets at fair value through profit or loss		**1,022**		–	
Net cash generated from investing activities			**9,117**		1,292,657
Financing activities					
Payment of redemption of convertible bonds		**(556,722)**		(119,282)	
Issue of shares under placing, net of transaction cost		**473,782**		–	
Issue of shares upon open offer, net of transaction cost		**–**		609,410	
Increase in borrowings		**451,300**		837,372	
Repayments of borrowings		**(579,630)**		(968,770)	
Interest paid		**(100,369)**		(121,903)	
Net cash (used in)/generated from financing activities			**(311,639)**		236,827
Net (decrease)/increase in cash and cash equivalents			**(596,018)**		1,397,628
Cash and cash equivalents at 1 May			**1,961,542**		598,697
Effect of foreign exchange rate changes			**(8,229)**		(34,783)
Cash and cash equivalents at 30 April			**1,357,295**		1,961,542
Analysis of balances of cash and cash equivalents					
Cash and cash equivalents			**1,357,295**		1,961,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Green (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 Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 36 to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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 (the "Listing Rule") and by the Hong Kong Companies Ordinance (the "HKCO").

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that biological assets are measured at their fair value less costs to sell, and certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 or value in use in HKAS 36.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements 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 measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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.

Profit or loss and each item 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing 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 relevant components of equity including reserves 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 after re-attribution of the relevant equity component, 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, a gain or loss is recognised in profit or loss and 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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). 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 joint venture.

Investments in subsidiaries

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

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 under operating 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is calculated to write off the cost 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.

Leasing

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Impairment on tangible 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on tangible assets (continued)

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).

– 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated 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 represents the estimated selling for inventories price less all estimated costs of completion and 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.

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 or 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: financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets are classified as at financial assets at fair value through 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 financial assets 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; or

- 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 financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

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 excludes any dividend or interest earned on the financial assets and is included in the other gains and losses line item. Fair value is determined in the manner described in note 23.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as any of other categories.

Equity and debt securities held by the Group that are classified as available-for-sale 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 available-for-sale monetary financial assets relating to interest income calculated using the effective interest method are recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of available-for-sale financial assets reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the available-for-sale financial assets reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Available-for-sale 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).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, 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.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty;

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

– it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of available-for-sale financial assets reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

Equity instruments

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 is recognised on an effective interest basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities at amortized cost

Financial liabilities including trade and other payables, and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds contain equity component

The component parts of the convertible loan notes are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated by measuring the fair value of similar liability that does not have an associated equity component.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Convertible notes contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan notes using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at financial assets at fair value through profit or loss. Generally, multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When an existing financial liability is renegotiated in such a way that the liability is extinguished fully or partially by issuing equity instruments, it is accounted for as an extinguishment of the original financial liability and a recognition of equity instrument at the fair value upon issue with the difference, being the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid, recognised to profit or loss.

When the contractual terms of financial liability are modified such that the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

(ii) Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to retained profits. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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.

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 when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

(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.

(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.

(iv) Dividend income

Dividend income from investments is recognise when the shareholder's right to receive payment has been established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise,except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to noncontrolling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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);

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties transactions (continued)

(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);

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 May 2016. A summary of the new and revised HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements

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.

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers and the related amendments[2]
HKFRS 16	Leases[3]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transaction[2]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
HKAS 7 (Amendments)	Disclosure initiative[1]
HKAS 12 (Amendments)	Recognition of deferred tax assets for unrealised losses[1]
HKAS 40 (Amendments)	Transfers of investment property[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture[4]
HKFRSs (Amendments)	Annual improvements to HKFRSs 2014–2016 cycle[5]
HK(IFRIC)–Int 22	Foreign currency transactions and advance consideration[2]

1 Effective for annual periods beginning on or after 1 January 2017.

2 Effective for annual periods beginning on or after 1 January 2018.

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

4 Effective for annual periods beginning on or after a date to be determined.

5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

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

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group:

- All recognised financial assets that are within the scope of HKFRS 9 Financial Instruments are required to be 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 reporting 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair values 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.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 30 April 2017, the application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale financial assets, including those currently stated at cost less impairment, will either be measured as financial assets at fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect until a detail review has been completed.

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

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Directors of the Company performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

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

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified assets is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows, respectively.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 30 April 2017, the Group has non-cancellable operating lease commitments of approximately RMB1,518,268,000 as disclosed in note 37(b). A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

Except as described above, the Directors of the Company do not anticipate that the application of the remaining new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

4. TURNOVER

During the year ended 30 April 2017, the Group was principally engaged in the growing, processing and sales of agricultural products, production and sales of consumer food products ("continuing 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:

	2017 RMB'000	2016 RMB'000
Continuing operations		
Fresh produce and processed products	**207,712**	378,883
Branded food products and others	**14,173**	28,097
	221,885	406,980

5. OTHER REVENUE AND OTHER GAINS AND LOSSES

(a) Other revenue

	2017 RMB'000	2016 RMB'000
Continuing operations		
Interest income on financial assets not at fair value through profit or loss		
– interest income from banks	21,212	5,034
Rental income	1,080	867
Government grant received (Note i)	100	6,717
Sundry income	526	1,105
Dividend income from financial assets at fair value through profit or loss	1,022	–
	23,940	13,723

Note:

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

(b) Other gains and losses

	2017 RMB'000	2016 RMB'000
Continuing operations		
Impairment loss recognised on available-for-sale financial assets	(18,581)	(115,280)
Net loss on financial assets at fair value through profit or loss	(4,389)	(7,143)
Exchange gain, net	11,669	–
Loss on redemption of convertible bonds	–	(1,234)
Loss on financial liability extinguished	(59,392)	–
Loss on convertible notes extinguished	(26,588)	–
Fair value change in derivative financial liability	136,088	–
Loss on written-off of inventories	(7,108)	–
	31,699	(123,657)

6. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

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

	2017 RMB'000	2016 RMB'000
Continuing operations		
(a) Finance costs		
Interest on borrowings wholly repayable within five years		
– interest on convertible notes/bonds	30,342	70,740
– interest on other borrowing	7,203	12,475
– interest on bank borrowings	42,256	35,235
	79,801	118,450
(b) Staff costs		
Contributions to defined contribution retirement plans	1,539	4,234
Salaries, wages and other benefits	38,070	64,598
	39,609	68,832
(c) Other items		
Amortisation of interests in leasehold land held for own use under operating leases	3,038	3,472
Amortisation of long-term prepaid rentals	63,745	98,937
Depreciation of property, plant and equipment	98,166	119,892
Operating lease charges: minimum lease payment		
– property rentals	683	663
Auditors' remuneration		
– audit services	1,392	1,500
– non-audit services	9	2,138
Cost of inventories sold	302,504	349,613
Net foreign exchange losses	–	304
Loss on disposal of property, plant and equipment	436	61,615
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:

	2017 RMB'000	2016 RMB'000
Current tax – Enterprise Income Tax in PRC		
– Provision for the year	13,131	706
Deferred tax		
Origination and reversal of temporary differences (Note 29(b))	(1,057)	(7,782)
Total income tax expense/(credit) recognised in profit or loss	12,074	(7,076)

Notes:

(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.

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 2017 and 2016 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.

(iv) During the year ended 30 April 2016, provision of income tax amounting to approximately RMB68,369,000 had been reclassified as discontinued operation.

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

Continuing operations (continued)

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

	2017 RMB'000	2017 %	2016 RMB'000	2016 %
Loss before taxation from continuing operations	**(1,134,742)**		(1,420,676)	
Notional tax on loss before taxation, calculated at rates applicable to loss in the countries concerned	**(281,621)**	**(24.8)**	(332,451)	(23.4)
Tax effect of operating loss of Group companies not subject to income tax	**10,654**	**0.9**	54,112	3.8
Tax effect of non-taxable income	**(24,550)**	**(2.2)**	(8,095)	(0.5)
Tax effect of profit exempted from income tax as a result of tax benefit	**(229)**	**–**	(5,712)	(0.4)
Tax effect of unused tax losses not recognised	**109,295**	**9.6**	48,696	3.4
Tax effect of non-deductible expenses	**198,525**	**17.5**	236,374	16.6
Taxation charge/(credit) from continuing operations	**12,074**	**1.0**	(7,076)	(0.5)

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 廈門粗糧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 28 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 32.

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 ended 30 April 2016 are set out below.

* *For identification purpose only*

8. DISCONTINUED OPERATIONS (continued)

Profit for the year from discontinued operations

	2016 RMB'000
Turnover	1,220,693
Cost of sales	(802,006)
Gross profit	418,687
Other revenue	17,232
Impairment loss on property, plant and equipment	(363,299)
Impairment loss on deposits of property, plant and equipment	(264,493)
Selling and distribution expenses	(222,857)
General and administrative expenses	(65,595)
Loss from operations	(480,325)
Finance costs	(26,775)
Loss before taxation	(507,100)
Income tax expense	(68,369)
	(575,469)
Gain on disposal of subsidiaries	1,027,956
Profit for the year from discontinued operations attributable to owners of the Company	452,487

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 the Target Company to CCBSL. 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
Depreciation and amortisation	39,774
Auditors' remuneration	–
Cash flows from discontinued operations	
Net cash inflows from operating activities	224,261
Net cash outflows from investing activities	(93,482)
Net cash inflows to financing activities	83,225
Net cash inflows	214,004

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 2017				
	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	–	5,810	8	484	6,302
Executive director					
Chen Changgai	–	2,024	8	169	2,201
Independent non-executive directors					
Hu Ji Rong	105	–	–	9	114
Zeng Shaoxiao	105	–	–	9	114
Wei Xiongwen	105	–	–	9	114
Yu Xiao Min	105	–	–	9	114
	420	7,834	16	689	8,959

9. DIRECTORS' REMUNERATION (continued)

	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
Zheng Shaoxiao	101	–	–	–	101
Wei Xiong Wen	101	–	–	–	101
Yu Xiao Min (appointed on 1 July 2015)	90	–	–	–	90
	393	6,662	16	2,585	9,656

No directors of the Company had waived 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 2017 and 2016.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Five highest paid individuals

Of the five individuals with highest emoluments, two (2016: two) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other three (2016: three) individuals are as follows:

	2017 RMB'000	2016 RMB'000
Salaries and other emoluments	2,131	2,141
Discretionary bonuses	186	98
Retirement scheme contributions	46	32
	2,363	2,271

The emoluments of the three (2016: three) individuals with the highest emolument are within the following bands:

		Number of individuals	
		2017	2016
HK$	RMB equivalent		
Nil–1,000,000	Nil–871,300	2	2
1,000,001–1,500,000	871,301–1,306,950	–	–
1,500,001–2,000,000	1,306,951–1,742,600	1	1
		3	3

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

(b) Senior executives of the Company

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

		Number of individuals	
		2017	2016
HK$	**RMB equivalent**		
Nil–1,000,000	Nil–871,300	**5**	5
1,000,001–1,500,000	871,301–1,306,950	**–**	–
1,500,001–2,000,000	1,306,951–1,742,600	**–**	–
		5	5

There were no amounts paid to the any of the five highest paid employees and senior executives as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 30 April 2017 and 2016.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 April 2017 (2016: 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 the following data:

(i) Loss attributable to owners of the Company

	2017 RMB'000	2016 RMB'000
Loss attributable to owners of the Company used to determine basic and diluted loss per share	(1,146,816)	(961,113)

(ii) Number of shares

	Number of ordinary shares	
	2017	2016
Weighted average number of ordinary shares for calculation of basic and diluted loss per share	5,319,682,337	1,086,430,342

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2017 and 2016 was the same as the basic loss per share. There were no outstanding share options as at 30 April 2017 and 2016.

During the years ended 30 April 2017 and 2016, the computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible notes/bonds since the effect of such conversion was anti-dilutive.

12. LOSS PER SHARE (continued)

From continuing operations

(a) Basic loss per share

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

Loss from continuing operations attributable to owners of the Company

	2017 RMB'000	2016 RMB'000
Loss for the year attributable to owners of the Company	**(1,146,816)**	(961,113)
Less: Profit for the year from discontinued operations attributable to the owners of the Company	**–**	(452,487)
	(1,146,816)	(1,413,600)

The weighted average number of ordinary shares were the same as those for both basic and diluted loss per share from continuing and discontinued operations.

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2017 and 2016 was the same as the basic loss per share. There was no outstanding share options as at 30 April 2017 and 2016.

During the years ended 30 April 2017 and 2016, the computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible notes/bonds since the effect of such conversion was anti-dilutive.

From discontinued operations

Basic and diluted earnings per share from the discontinued operations for the year ended 30 April 2016 was RMB41.65 cents per share based on the profit for the year ended 30 April 2016 from discontinued operations of RMB452,487,000 and the denominators details above for both basic and diluted earnings per share from continuing and discontinued operations.

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 2017, the Group's retirement plan contributions amounted to approximately RMB1,555,000 (2016: RMB6,805,000).

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 two reportable segments in accordance with HKFRS 8 presented as follows:

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

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

Beverage business operations was discontinued during the year 30 April 2016. 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.

14. SEGMENT REPORTING (continued)

(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 2017 and 2016 is set out below:

Segment assets include all current and non-current assets with the exception of investments in financial 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 is "adjusted operating loss". To arrive at "adjusted operating loss", the Group's loss 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 loss. 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	
	2017 RMB'000	2016 RMB'000	**2017 RMB'000**	2016 RMB'000	**2017 RMB'000**	2016 RMB'000
Revenue from external customers	**207,712**	378,035	**14,173**	28,945	**221,885**	406,980
Inter-segment revenue	**10,098**	54,355	**–**	931	**10,098**	55,286
Reportable segment revenue	**217,810**	432,390	**14,173**	29,876	**231,983**	462,266
Reportable segment loss	**(862,695)**	(732,907)	**(9,222)**	(42,340)	**(871,917)**	(775,247)
Interest income	**2,006**	403	**3**	1	**2,009**	404
Depreciation and amortisation	**148,150**	196,422	**3,043**	12,733	**151,193**	209,155
Income tax	**(948)**	633	**70**	73	**(878)**	706
Reportable segment assets	**2,156,425**	3,580,803	**36,507**	26,255	**2,192,932**	3,607,058
Gain/(loss) arising from changes in fair value less costs to sell of biological assets	**3,157**	(5,073)	**–**	–	**3,157**	(5,073)
Finance costs	**243**	4,591	**156**	174	**399**	4,765
Impairment loss on property, plant and equipment	**514,379**	216,147	**–**	–	**514,379**	216,147
Impairment loss on interest in leasehold land held for own use under operating leases	**–**	27,665	**–**	486	**–**	28,151
Impairment loss on long-term prepaid rentals	**204,454**	373,288	**–**	28,875	**204,454**	402,163
Additions to non-current assets during the year	**105,004**	11,420	**–**	4	**105,004**	11,424
Written-off inventories	**7,108**	–	**–**	–	**7,108**	–
Deposit paid for property, plant and equipment	**90,079**	–	**–**	–	**90,079**	–
Reportable segment liabilities	**67,947**	381,315	**22,482**	3,055	**90,429**	384,370

14. SEGMENT REPORTING (continued)

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

	2017 RMB'000	2016 RMB'000
Revenue		
Reportable segment revenue	231,983	462,266
Elimination of inter-segment revenue	(10,098)	(55,286)
Consolidated turnover from continuing operations	221,885	406,980
Profit or loss		
Reportable segment loss derived from Group's external customers	(871,917)	(775,247)
Finance costs	(79,402)	(113,685)
Finance income	19,203	4,630
Other revenue and gains	14,397	44,956
Impairment loss on available-for-sale financial assets	(18,581)	(115,280)
Impairment loss on property, plant and equipment	(4,925)	–
Net loss on financial assets at fair value through profit or loss	(4,389)	(7,143)
Unallocated depreciation and amortisation	(13,756)	(13,146)
Unallocated head office and corporate expenses	(225,480)	(444,527)
Loss on financial liability extinguished	(59,392)	–
Loss on convertible notes extinguished	(26,588)	–
Fair value change in derivative financial liabilities	136,088	–
Loss on redemption of convertible bonds	–	(1,234)
Consolidated loss before taxation from continuing operations	(1,134,742)	(1,420,676)

14. SEGMENT REPORTING (continued)

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

	2017 RMB'000	2016 RMB'000
Assets		
Reportable segment assets	2,192,932	3,607,058
Unallocated head office and corporate assets:		
– Fixed assets	177,835	131,523
– Pledged bank deposit	130,000	255,481
– Cash and cash equivalents	691,239	713,701
– Other assets	227,762	201,619
Consolidated total assets	3,419,768	4,909,382
Liabilities		
Reportable segment liabilities	90,429	384,370
Convertible bonds	–	568,391
Convertible notes	116,227	–
Derivative financial liabilities	5,575	–
Deferred tax liabilities	69,581	70,638
Bank and other borrowings	641,300	446,702
Unallocated head office and corporate liabilities	102,324	350,806
Consolidated total liabilities	1,025,436	1,820,907

(c) Geographical information

During the years ended 30 April 2017 and 2016, the Group mainly operated in the PRC and all of the Group's revenue was derived from the PRC, most of the non-current assets of the Group were located in the PRC as at 30 April 2017 and 2016. No analysis of the Group's result and assets by geographical area is disclosed.

(d) Information about major customers

Revenue from customers from continuing operations of the corresponding years contributing over 10% of the total revenue of the Group are as follow:

	2017 RMB'000	2016 RMB'000
Customer A	22,915#	–*

* The corresponding customer did not contribute over 10% or more to the Group's revenue in respective year.

\# Revenue from fresh produce and processed products.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings (Note i) 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 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 and 1 May 2016	470,347	730,933	76,673	449,556	26,421	8,017	1,109,868	2,871,815
Exchange realignment	–	–	–	–	35	–	–	35
Additions	–	–	19,200	52	107	–	85,645	105,004
Assets classified as held for sale (Note 26)	–	–	–	–	–	–	(54,685)	(54,685)
Transfer	–	949,129	–	–	–	–	(949,129)	–
Disposals	(210)	(1,927)	–	(267)	(364)	–	–	(2,768)
At 30 April 2017	470,137	1,678,135	95,873	449,341	26,199	8,017	191,699	2,919,401
Accumulated depreciation and impairment loss:								
At 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 and 1 May 2016	238,519	376,004	74,516	355,369	20,793	5,170	101,237	1,171,608
Exchange realignment	–	–	–	–	39	–	–	39
Charge for the year	14,337	67,108	6,300	8,933	717	771	–	98,166
Impairment loss recognised in profit or loss	4,033	506,762	–	2,561	573	62	5,313	519,304
Assets classified as held for sale (Note 26)	–	–	–	–	–	–	(4,925)	(4,925)
Eliminated on disposal assets	(156)	(1,564)	–	(266)	(346)	–	–	(2,332)
At 30 April 2017	256,733	948,310	80,816	366,597	21,776	6,003	101,625	1,781,860
Carrying amount:								
At 30 April 2017	**213,404**	**729,825**	**15,057**	**82,744**	**4,423**	**2,014**	**90,074**	**1,137,541**
At 30 April 2016	231,828	354,929	2,157	94,187	5,628	2,847	1,008,631	1,700,207

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:

	2017	2016
	RMB'000	RMB'000
Construction cost of building structure	**–**	52,108
Cost of machinery pending installation	**7,090**	7,394
Infrastructure	**82,984**	949,129
	90,074	1,008,631

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 for the year

As a result of the continuing decline the Group's fresh produce and processed products segment for the years ended 30 April 2017 and 2016, the Group carried out a review of the recoverable amount of 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 RMB519,304,000 (2016: RMB216,147,000) which are located in PRC. The impairment loss has been included in the consolidated statement of profit or loss and other comprehensive income.

(iv) Buildings with a carrying amount of approximately RMB109,708,000 (2016: RMB206,382,000) have been pledged to secure banking facilities granted to the Group.

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

	2017 RMB'000	2016 RMB'000
Cost:		
At 1 May	**217,466**	219,178
Additions	**–**	6,504
Transfer	**–**	(6,504)
Disposal of assets	**–**	(1,712)
At 30 April	**217,466**	217,466
Accumulated amortisation and impairment loss:		
At 1 May	**91,220**	59,942
Amortisation for the year	**3,038**	3,472
Impairment loss recognised in profit or loss	**–**	28,151
Disposal of assets	**–**	(345)
At 30 April	**94,258**	91,220
Carrying amount:		
At 30 April	**123,208**	126,246

As at 30 April 2017, the non-current portion of interests in leasehold land held for own use under operating leases is approximately RMB120,171,000 (2016: RMB122,600,000).

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 for the year

As a result of the continuing decline of the financial performance of the Group's fresh produce and processed products segment for the years ended 30 April 2017 and 2016, 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 ended 30 April 2017, no impairment loss recognised on interest in leasehold land held for own use under operating lease since their carrying amounts were less than the recoverable amount as at 30 April 2017. During the year ended 30 April 2016, the impairment loss recognised on interests in leasehold land held for own use under operating leases of approximately RMB28,151,000 which are located in PRC.

(ii) Interests in leasehold land held for own use under operating leases with a carrying amount of approximately RMB18,470,000 (2016: RMB6,509,000) 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 30 years. The movement of the long-term prepaid rentals is summarised as follows:

	2017 RMB'000	2016 RMB'000
Cost:		
At 1 May	1,095,232	1,784,632
Disposal	–	(689,400)
At 30 April	1,095,232	1,095,232
Accumulated amortisation and impairment loss:		
At 1 May	491,590	679,889
Amortisation for the year	63,745	98,937
Impairment loss recognised in profit or loss	204,454	402,163
Written back on disposal	–	(689,399)
At 30 April	759,789	491,590
Carrying amount:		
At 30 April	335,443	603,642

17. LONG-TERM PREPAID RENTALS (continued)

Analysis of long-term prepaid rentals is as follows:

	2017 RMB'000	2016 RMB'000
Non-current portion	**296,497**	531,640
Current portion	**38,946**	72,002
Carrying amount at 30 April	**335,443**	603,642

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 and processed products for the years ended 30 April 2017 and 2016, the Group carried out a review of the recoverable amount of the long term prepaid rentals. Please refer to note 18 for details.

The impairment loss recognised on long-term prepaid rentals of approximately RMB204,454,000 (2016: RMB70,811,000) which are located in the PRC. The impairment loss has 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 is not probably recoverable. Therefore, the impairment loss recognised on the withdrawal of farmlands was RMB331,352,000 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. The demand of multi-grain for the manufacturing of beverage or beverage components and the production in the multi-grain farmland in Baicheng City fallen short of expectations at the initial stage. During the years ended 30 April 2016 and 2015, the Group had entered into supply agreements with certain customers, however, with the intensifying competition in the beverages markets during the year ended 30 April 2017, the demand of multi-grain for the manufacturing of beverages or beverage components is below expectation. As there is no break through in the domestic sales of fresh produce and processed products, the Group considered it was an indication that the assets of the fresh produce and processed products may be impaired. The review was performed by Peak Vision Appraisals Limited, an independent qualified valuer, as at 30 April 2017 and 2016 and the values in use of the CGUs have been measured by using discounted cash flow projections based on the cash flows covering a five year period with discount rate and terminal growth rate of 12.32% (2016: 12.17%) and 3% (2016: 3%) respectively for the years ended 30 April 2017 and 2016. The calculation of the discount rate takes into consideration of the cost of equity and cost of debt of the Company with reference to the public sources data, including but not limited to Thomson Reuters and Duff & Phelps, LLC. The change of the discount rate mainly reflects the change of data of cost of equity and cost of debt for the year ended 30 April 2017. The terminal growth rate is based on the expected rate of inflation projected by the International Monetary Fund.

The other major inputs used in calculating the values in use of the CGUs for the years ended 30 April 2017 and 2016 are as follows:

Major cultivation bases	Key measurement inputs	2017	2016
Baicheng City	Selling price of Product A (i)	RMB2,000/ton	RMB2,444/ton
	Per mu yield by kilogram ("kg") of Product A per year (ii)	1,040kg/mu	1,300kg/mu
	Selling price of Product B (i)	RMB10,000–RMB11,000/ton	RMB8,930/ton
	Per mu yield by kg of Product B per year (ii)	151kg/mu	200kg/mu
	Selling price of Product C (i)	RMB10,000/ton	RMB10,152/ton
	Per mu yield by kg of Product C per year (ii)	231kg/mu	250kg/mu
	Selling price of Product D (i)	RMB2,510/ton	RMB2,632/ton
	Per mu yield by kg of Product D per year (ii)	703kg/mu	700kg/mu
	Selling price of Product E (i)	RMB3,000/ton	N/A
	Per mu yield by kg of Product E per year (ii)	261kg/mu	N/A

18. IMPAIRMENT TESTING ON CASH GENERATING UNIT (continued)

Notes:

(i) The selling price will be increased yearly with reference to the price index of agriculture products published by National Bureau of Statistics of China from the first year to fifth year in calculating the values in use. After the fifth year, the selling price is assumed to be increased by 3% yearly with reference to the terminal growth rate. The change of the selling price mainly reflects the actual selling price for the year ended 30 April 2017.

(ii) The production volume forecast is based on the actual figure for the year ended 30 April 2017 and increase yearly from first year to fifth year of the cultivation because the Group will improve the quality of the farmland and get familiar with the farming pattern. After fifth year of cultivation, it is assumed that no change in the production volume per mu yield by kg.

As the actual harvest quantity of the Baicheng farming land failed to meet the expected harvest quantity in previous years and the demand of multi-grain for the manufacturing of beverages or beverage components is under expectation for the year ended 30 April 2017, the growth rate of the production volume has been revised downward in the following years as compared to those previously expected which is based on actual planting result.

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

(a) the sales focus was majorly focus on the PRC;

(b) There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the CGU operates or intends to operate, which would adversely affect the revenues and profits attributable to the CGU;

(c) There will be no force majeure, including natural disasters that could adversely impact the conditions of any biological assets and agriculture produce planted by the CGU;

(d) For the CGU to continue to operate as a going concern, the CGU will successfully carry out all necessary activities for the development of its business;

(e) The availability of finance will not be a constraint on the forecast growth of the CGU operations in accordance with the business plans and the projections;

(f) Market trends and conditions where the CGU operates will not deviate significantly from the economic forecasts in general;

(g) Key management, competent personnel and technical staff will all be retained to support ongoing operations of the CGU;

(h) There will be no material changes in the business strategy of the CGU and its operating structure;

(i) Interest rates and exchange rates in the localities for the operation of the CGU will not differ materially from those presently prevailing; and

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

18. IMPAIRMENT TESTING ON CASH GENERATING UNIT (continued)

The impairment loss of approximately RMB723,758,000 (2016: RMB315,109,000) 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:

	2017 RMB'000	2016 RMB'000
Property, plant and machinery (Note 15)	**519,304**	216,147
Long term prepaid rentals (Note 17)	**204,454**	70,811
Interests in leasehold land held for own use under operating leases (Note 16)	**–**	28,151
	723,758	315,109

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017 RMB'000	2016 RMB'000
Listed investments:		
Equity securities listed in Hong Kong (note i)	**30,854**	53,208
Unlisted investments:		
Equity securities unlisted in Hong Kong, at cost (note ii)	**2,894**	6,677
	33,748	59,885

Notes:

(i) As at years ended 30 April 2017 and 2016, the listed investment were mainly composed of shares listed on the Stock Exchange. 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 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 RMB14,455,000 was recognised in consolidated statement of profit and loss and other comprehensive income for the year ended 30 April 2017 (2016: RMB115,280,000) as the market price of the listed investments as at 30 April 2017 are significantly less than its cost.

(ii) As at year ended 30 April 2017, unlisted investment represent 4.49% equity share on a unlisted company located in Hong Kong. During the year, the impairment loss of approximately RMB4,126,000 was recognised in the consolidated statement of profit or loss and other comprehensive income due to the poor performance of the business.

20. INVENTORIES

Inventories represent the following:

	Notes	2017 RMB'000	2016 RMB'000
Raw materials	(i)	270	5,527
Agricultural materials	(ii)	268	256
Finished goods		373	940
		911	6,723

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) As at 30 April 2017, a batch of raw materials with cost of approximately RMB7,108,000 was considered as obsoleted, and provision of written-off of approximately RMB7,108,000 was made as at 30 April 2017 (2016: nil).

21. BIOLOGICAL ASSETS

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

	2017 RMB'000	2016 RMB'000
At 1 May	**12,000**	21,640
(Loss)/gain arising from changes in fair value less costs to sell	**(10,320)**	20,363
Increase due to plantation	**104,132**	252,876
Decrease due to harvest	**(89,368)**	(282,879)
At 30 April	**16,444**	12,000

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

	2017 RMB'000	2016 RMB'000
Vegetables	**14,466**	9,380
Fruit	**1,978**	2,620
	16,444	12,000

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

	2017 RMB'000	2016 RMB'000
At fair value less costs to sell	**16,444**	12,000

Vegetables and fruit were stated at fair value less costs to sell as at 30 April 2017 and 2016. 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.

21. 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:

	2017		2016	
	Quantity (tons)	RMB'000	Quantity (tons)	RMB'000
Vegetable and rice	48,864	87,597	139,201	199,649
Fish	–	–	7,641	46,956
Fruit	957	1,771	12,627	36,274
	49,821	89,368	159,469	282,879

The Qualification of Valuer

The Group's biological assets were valued by independent professional valuer as at 30 April 2017 (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 12.32% (2016: 12.17%).

21. 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 2017.

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 44.7% (2016: 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;

- 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.

22. TRADE AND OTHER RECEIVABLES

	2017 RMB'000	2016 RMB'000
Non-current assets:		
Deposit paid for property, plant and equipment (Note)	**90,079**	–
Current assets:		
Trade receivables	**13,766**	2,014
Other receivables	**120,471**	142,363
Loans and receivables	**134,237**	144,377
Rental and other deposits	**1,347**	513
Interest in leasehold land held for own use under operating leases	**3,038**	3,646
Prepayments		
– to others	**325**	183
Value added tax recoverable	**3,954**	3,954
	142,901	152,673

Note: Approximately of RMB78,525,000 was deposit paid for the construction in progress in relation to the improvement of infrastructure on cultivation base located in PRC.

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 RMBnil (2016: approximately RMB61,000) is due from the Group's largest customer. There were four customers who represent more than 5% of the total balance of trade receivables for the year 2017 (2016: Nil).

22. 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:

	2017 RMB'000	2016 RMB'000
Within 1 month	9,582	2,014
Over 1 month but within 3 months	4,137	–
Over 3 months but within 6 months	47	–
	13,766	2,014

Trade receivables are normally 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:

	2017 RMB'000	2016 RMB'000
Over 1 month but within 3 months	4,137	–
Over 3 months but within 6 months	47	–
	4,184	–

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 RMB'000	2016 RMB'000
Listed investments:		
Equity securities listed in Hong Kong	5,475	2,879

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

24. PLEDGED BANK DEPOSITS

The pledged bank deposits carry fixed interest rate ranging from 1.95% to 4.25% (2016: 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 2017, approximately RMB130,000,000 bank deposits were pledged for bank borrowings with maturity within one year (2016: approximately RMB287,231,000 bank deposits were pledged for bank borrowings with maturity within one year).

25. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	2017 RMB'000	2016 RMB'000
Cash at bank	1,357,194	1,961,362
Cash on hand	101	180
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	1,357,295	1,961,542

Included in the cash and bank balances at the ended of the reporting period were amounts of approximately RMB1,340,012,000 (2016: approximately RMB1,945,499,000) which not freely convertible into other currencies.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign 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 which are authorised to conduct foreign exchange business.

25. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of loss before taxation to cash used in operations:

	Notes	2017 RMB'000	2016 RMB'000
Operating activities			
(Loss)/profit before taxation			
– Continuing operations		**(1,134,742)**	(1,420,676)
– Discontinued operations		**–**	520,856
		(1,134,742)	(899,820)
Adjustments for:			
Amortisation of interests in leasehold land held for own use under operating leases	16	**3,038**	4,895
Amortisation of long-term prepaid rentals	17	**63,745**	98,937
Depreciation of property, plant and equipment	15	**98,166**	158,243
Net gain arising from changes in fair value of other financial liabilities		**–**	(36,267)
Loss on disposal of property, plant and equipment		**436**	61,752
Loss on disposal of interests in leasehold land held for own use under operating leases		**–**	1,367
Gain on disposal of subsidiaries		**–**	(1,027,956)
(Gain)/loss arising from changes in fair values less costs to sell biological assets		**(3,157)**	5,073
Impairment loss on property, plant and equipment	15	**519,304**	579,446
Impairment loss on deposit of purchase for property, plant and equipment		**–**	264,493
Impairment loss on long-term prepaid rentals	17	**204,454**	402,163
Impairment loss on interests in leasehold land held for own use under operating leases		**–**	28,151
Loss on written-off of inventories	5(b)	**7,108**	–
Interest income		**(21,212)**	(8,611)
Interest expenses		**79,801**	145,225
Dividend income		**(1,022)**	–
Loss on financial liability extinguished		**59,392**	–
Loss on convertible notes extinguished		**26,588**	–
Fair value change in derivative financial liability	30(c)	**(136,088)**	–

25. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of loss before taxation to cash used in operations: (continued)

	Notes	2017 RMB'000	2016 RMB'000
Exchange gain, net	5(b)	**(11,669)**	–
Impairment loss on available-for-sale financial assets	19	**18,581**	115,280
Net loss on financial assets at fair value through profit or loss		**4,389**	7,143
Loss on redemption of convertible bonds		**–**	1,234
		(222,888)	(99,252)
Changes in working capital:			
(Increase)/decrease in inventories		**(1,296)**	7,084
(Increase)/decrease in biological assets		**(1,287)**	4,567
(Increase)/decrease in trade and other receivables		**(8,016)**	14,068
Increase in financial assets at fair value through profit or loss		**(6,937)**	(9,974)
(Decrease)/increase in trade and other payables		**(39,941)**	29,100
Cash used in operations		**(280,365)**	(54,407)

26. ASSETS CLASSIFIED AS HELD FOR SALE

On 17 April 2017, two indirect wholly-owned subsidiaries of the Company, entered into an equity transfer agreement in relation to transferring 100% of the equity interest of China Green (Fuyang) Beverages Science and Technology Development Limited (the "Fuyang Company"), an indirect wholly-owned subsidiary, to an independent third party. The carrying amount of the Fuyang Company was higher than the fair value less cost to sell of business. Therefore, of approximately RMB4,925,000 impairment loss was recognised on property, plant and equipment.

The major classes of asset of Fuyang Company as at 30 April 2017 is as below:

	2017 RMB'000
Property, plant and equipment	**54,685**
Less: Impairment loss on property, plant and equipment	**(4,925)**
Net assets classified as held for sale	**49,760**

26. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

In accordance with HKFRSs, the assets classified as held for sale were written down to the fair value less cost to sell of RMB49,760,000. This is non-recurring fair value which has been measured observable inputs, being the contract price with the purchaser, and is therefore within level 2 of the fair value hierarchy.

27. TRADE AND OTHER PAYABLES

	2017 **RMB'000**	2016 RMB'000
Trade payables	**2,772**	429
Accrued salaries and wages	**1,644**	2,346
Other accruals and payables	**150,446**	212,127
Financial liabilities measured at amortisation cost	**154,862**	214,902
Other taxes payable	**87**	970
	154,949	215,872

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

	2017 **RMB'000**	2016 RMB'000
Within 1 month	**1,457**	429
Within 1 month to 3 months	**805**	–
Within 3 months to 6 months	**156**	–
Within 6 months to 1 year	**354**	–
	2,772	429

As at 30 April 2017 and 2016, other accruals and payables included payment related to the disposal of beverage business operations of approximately RMB112,907,000.

28. BANK AND OTHER BORROWINGS

	2017 RMB'000	2016 RMB'000
Bank loans	661,300	789,630
Loan from other entities	–	158,572
	661,300	948,202
Secured	541,300	689,625
Unsecured	120,000	258,577
	661,300	948,202
– Within one year	631,300	808,202
– More than one year, but not exceeding two years	30,000	–
– More than two years, but not more than five years	–	140,000
	661,300	948,202
Less: Amounts shown under current liabilities	(631,300)	(808,202)
	30,000	140,000

Notes:

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

	2017	2016
Effective interest rate:		
Fixed-rate borrowings	4.8% to 13.9%	5.0% to 13.9%
Variable-rate borrowings	2.8% to 12.0%	3.0% to 12.0%

(b) As at 30 April 2017, bank deposits amounting to approximately RMB130,000,000 (2016: RMB287,231,000) had been pledged to secure the Group's bank loans and banking facilities in relation to letter of credit. In addition, certain property, plant and equipment and interests in leasehold land held for own use under operating lease with carrying amounts of approximately RMB128,178,000 (2016: RMB212,891,000) had been pledged to secure the Group's bank loans for the purpose of working capital.

29. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	2017 RMB'000	2016 RMB'000
At 1 May	17,804	26,178
Provision for the PRC Enterprise Income Tax for the year	13,131	69,075
Tax paid during the year	(13,131)	(77,449)
At 30 April	17,804	17,804

(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 2015	70,638	7,782	78,420
Credited to profit or loss (Note 7(a))	–	(7,782)	(7,782)
At 30 April 2016 and 1 May 2016	70,638	–	70,638
Credited to profit or loss (Note 7(a))	(1,057)	–	(1,057)
At 30 April 2017	69,581	–	69,581

29. 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 2017, deferred tax liabilities of approximately RMB69,581,000 (2016: 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 RMB138,972,000 (2016: RMB158,719,000) 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 2017 will not be distributed in the foreseeable future.

(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 RMB1,524,246,000 (2016: RMB214,808,000) 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.

30. CONVERTIBLE BONDS/NOTES

(a) Convertible bonds 2016 at 7% and 10%

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. 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 was effective on 22 June 2016. The Company has redeemed the convertible bonds at 7% and 10% in full on 18 August 2016.

30. CONVERTIBLE BONDS/NOTES (continued)

(a) Convertible bonds 2016 at 7% and 10% (continued)

The convertible bonds information are presented as follows:

	Convertible bonds 2016 at 7%	Convertible bonds 2016 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	RMB53,511,000
	in USD settlement	in USD settlement
Interest:	7% p.a. payable	10% p.a. payable
	semi-annually	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	Adjustment of
	conversion price	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

30. CONVERTIBLE BONDS/NOTES (continued)

(a) Convertible bonds 2016 at 7% and 10% (continued)

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

	Convertible Bonds 2016 at 7% RMB'000	Convertible Bonds 2016 at 10% RMB'000	Total 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
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 and 1 May 2016	514,880	53,511	568,391
Less: Redemption	(504,334)	(52,388)	(556,722)
Exchange realignment	(10,546)	(1,123)	(11,669)
As at 30 April 2017	–	–	–

The imputed interest expenses on the convertible bonds 2016 at 7% and 10% are calculated using effective interest method by using the effective interest rate of 12.15% and 12.48% for the year ended 30 April 2016.

30. CONVERTIBLE BONDS/NOTES (continued)

(b) Convertible notes 2017 – HKD190,000,000, 12% coupon interest

On 20 May 2016, the Company entered into the supplemental deed with lender and agreed to restructure the loan due under the principal loan agreement with the principal amount of HK$190,000,000 (the "Supplemental Deed"). According to the Supplemental Deed, the Company would issue convertible notes with principal amount HK$190,000,000 (the "convertible notes 2017") to settle the outstanding loan balance. The convertible notes 2017 bear an interest rate of 12% per annum. The convertible notes 2017 was issued on 22 August 2016.

The information of the convertible notes 2017 is presented as follows:

	Convertible notes 2017
Principal amount:	
– as at 22 August 2016	HK$190,000,000 in HK$ settlement
Interest:	12% p.a. payable Quarterly
Issue date:	22 August 2016
Maturity date:	22 August 2017
Conversion price per share (subject to adjustment)	HK$0.15

The convertible notes 2017 recognised in the statement of financial position was calculated as follows:

	Convertible notes 2017 RMB'000
Liability component at date of issue	161,686
Derivative financial liabilities component at date of issue	59,762
Nominal value of convertible notes 2017 on issue date	221,448

30. CONVERTIBLE BONDS/NOTES (continued)

(b) Convertible notes 2017 – HKD190,000,000, 12% coupon interest (continued)

Liability component:

	RMB'000
At issue date on 22 August 2016	161,686
Imputed interest charge	10,587
Less: Coupon interest paid	(9,951)
Extinguishment of convertible notes	(167,825)
Exchange alignment	5,503
At 17 February 2017	–

Derivative financial liability component:

	Redemption option held by the Group RMB'000	Conversion option RMB'000	Total RMB'000
At issue date on 22 August 2016	(63,077)	122,839	59,762
Fair value change	27,835	(71,940)	(44,105)
Extinguishment of convertible notes	37,229	(54,769)	(17,540)
Exchange alignment	(1,987)	3,870	1,883
At extinguishment date on 17 February 2017	–	–	–

The imputed interest expenses on the convertible notes 2017 was calculated using effective interest method by using the effective interest rate of 13.5%.

30. CONVERTIBLE BONDS/NOTES (continued)

(c) Convertible notes 2019 – HKD190,000,000, 0% coupon interest

On 15 December 2016, the Company and the holder of convertible notes 2017 entered into the modification deed to amend certain terms and conditions of convertible notes 2017 (the "Modification Deed"), pursuant to which (i) the maturity date of the convertible notes 2017 will be changed from the date falling on the first anniversary of the date of issue of the convertible notes 2017 to the date falling on the third anniversary of the date of the issue of the convertible notes 2017; (ii) the conversion price of the convertible notes will be changed from HK$0.15 per conversion share to HK$0.10 per conversion share; and (iii) the convertible notes 2017 will be changed from bearing interest at a rate of 12% per annum to non-interest bearing. The amendment to terms and condition of the convertible notes 2017 became effective on 17 February 2017 whereby the convertible notes 2019 were issued and the convertible notes 2017 were extinguished.

The information of the convertible notes 2019 is presented as follows:

	Non-interest bearing convertible notes 2019
Principal amount:	
– as at 17 February 2017	HK$190,000,000 in HK$ settlement
Interest:	Non-interest bearing
Issue date:	17 February 2017
Maturity date:	22 August 2019
Conversion price per share (subject to adjustment)	HK$0.10

The convertible notes 2019 recognised in the statement of financial position was calculated as follows:

	Convertible notes 2019 RMB'000
Liability component at date to issue	112,297
Derivative financial liabilities component at date of issue	143,761
Nominal value of convertible notes 2019 on 17 February 2017	256,058

Liability component:

	RMB'000
At modification date on 17 February 2017	112,297
Imputed interest charge	3,702
Exchange alignment	228
At 30 April 2017	116,227

The imputed interest expenses on the non-interest bearing convertible notes 2019 was calculated using effective interest method by using the effective interest rate of 16.5%. The fair value of the debt component of the convertible note at 30 April 2017 amounted to approximately RMB117,951,000.

30. CONVERTIBLE BONDS/NOTES (continued)

(c) Convertible notes 2019 – HKD190,000,000, 0% coupon interest (continued)

Derivative financial liability component:

	Redemption option held by the Group RMB'000	Conversion option RMB'000	Total RMB'000
At modification date on 17 February 2017	(41,686)	185,447	143,761
Fair value change	29,304	(165,392)	(136,088)
Exchange alignment	479	(2,577)	(2,098)
As at 30 April 2017	(11,903)	17,478	5,575

The derivative financial liability component represents:

(i) Redemption options held by Company

Pursuant to the agreement in relation to the issue of the convertible notes, the Company may, at its option and at any time during the period commencing from the issue date and the maturity date, redeem the convertible notes in whole or in part (in an integral multiple of HK$1,000,000) of the outstanding amount of the principal of the convertible notes. As at 30 April 2017, the fair value of redemption options by the Company was RMB11,903,000.

(ii) Conversion options held by noteholders

Pursuant to the agreement in relation to the issue of the convertible notes, the noteholder may, at its option and anytime during the period commencing from the issue date to the maturity data, convert the convertible notes and any accrued but unpaid interest in whole or in part (in an integral multiple of HK$1,000,000) of the outstanding principal amount of the convertible notes. As at 30 April 2017, the fair value of conversion option by the Company was RMB17,478,000.

Analysis of convertible notes/bonds is as follows:

	2017 RMB'000	2016 RMB'000
Non-current portion	116,227	–
Current portion	–	568,391
Carrying amount at 30 April	116,227	568,391

31. 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 2015	3,000,000	300,000	291,178
Increase for the year	7,000,000	700,000	551,920
At 30 April 2016 and 1 May 2016, 30 April 2017	10,000,000	1,000,000	843,098
Issued and fully paid:			
At 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 i)	3,974,284	397,428	313,232
Capital reorganisation (note ii)	(4,769,140)	(476,914)	(394,281)
At 30 April 2016 and 1 May 2016	1,192,286	119,228	98,571
Issue of shares upon placing (note iii)	5,750,000	575,000	492,044
At 30 April 2017	6,942,286	694,228	590,615

31. CAPITAL AND RESERVES (continued)

(b) Share Capital (continued)

(i) Authorised and issued share capital (continued)

Notes:

(i) 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 existing Share held on 12 June 2015. The net proceeds of the open offer, after deducting the underwriting commission and other related expenses payable by the Company, were approximately RMB609,410,000.

(ii) 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.

(iii) On 12 August 2016, an aggregate of 5,750,000,000 shares were issued by way of placing at a price of HK$0.1 per share for net proceed of approximately RMB473,782,000 for the purpose of redemption of the convertible bonds and payment of the interest accrued and for general working capital.

(iv) 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 general meetings of the Company. All ordinary shares rank equally.

31. CAPITAL AND RESERVES (continued)

(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.

(iv) Contribution surplus

Contribution 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 contribution surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contribution 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.

(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.

31. CAPITAL AND RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(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.

(d) Distributability of reserves

The Company's contributed surplus in the amount of RMB688,683,000 (2016: 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 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 2017, the reserves of the Company were not available for distribution (2016: Nil). In addition, the Company's share premium account, in the amount of approximately RMB1,153,757,000 at 30 April 2017 (2016: RMB1,172,019,000), 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, bank and other borrowings and convertible notes/bonds) plus un-accrued proposed dividends, less cash and cash equivalents. Adjusted equity comprises all components of equity.

During the year ended 30 April 2017, 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.

31. CAPITAL AND RESERVES (continued)

(e) Capital management (continued)

The net debt-to-equity ratio at 30 April 2017 and 2016 was as follows:

	Notes	2017 RMB'000	2016 RMB'000
Trade and other payables	27	154,949	215,872
Borrowings	28	661,300	948,202
Convertible notes/bonds	30	116,227	568,391
Total debt		932,476	1,732,465
Less: Cash and cash equivalents	25	(1,357,295)	(1,961,542)
Net cash and cash equivalents after deducting total debt		(424,819)	(229,077)
Total equity		2,394,332	3,088,475
Adjusted net debt-to-equity ratio		N/A	N/A

According to the test result of net debt-to-equity, the Group's cash equivalent exceed its total debt, therefore, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

32. 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.

* *For identification purpose only*

32. 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

32. 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.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

	2017 **RMB'000**	2016 RMB'000
Financial assets		
Available-for-sale financial assets	**33,748**	59,885
Financial assets at fair value through profit or loss	**5,475**	2,879
Loan and receivables (including cash and bank balance)		
– Trade and other receivables	**135,584**	144,890
– Pledged bank deposits	**130,000**	287,231
– Cash and cash equivalents	**1,357,295**	1,961,542
	1,622,879	2,393,663
Financial liabilities		
Derivative financial liability	**5,575**	–
Amortised costs		
– Trade and other payables	**154,862**	214,902
– Convertible notes/bonds	**116,227**	568,391
– Bank and other borrowings	**661,300**	948,202
	932,389	1,731,495

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group exposes to credit, liquidity, interest rate and currency risks arises in the normal course of business and equity price risk arising from investment in equity securities classified under available-for-sales financial assets and financial assets at fair value through profit or loss.

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% (2016: 0%) and 0% (2016: 0%) of the total trade and other receivables were due from the Group's largest customer and the five largest customers respectively.

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 22.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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:

2017

	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 years but less than 5 years RMB'000
Bank borrowings						
– fixed rate	5.0%	30,000	32,182	1,500	30,682	–
– variable rate	10.0%	631,300	645,263	645,263	–	–
Trade and other payables		154,862	154,862	154,862	–	–
Convertible notes		116,227	168,454	–	–	168,454
		932,389	1,000,761	801,625	30,682	168,454

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

2016

	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 years 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

(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 notes/bonds are disclosed in notes 28 and 30 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.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Cash flow interest rate risk

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 2017 would decrease/increase by approximately RMB3,630,000 (2016: RMB1,077,000).

(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.

33. 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.

	2017 (expressed in RMB)	
	RMB'000	**USD'000**
Cash and cash equivalents	**–**	**420**

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

During the year ended 30 April 2017, if RMB has strengthened by 5%, with all other risk variables remained constant, the Group's loss after taxation would increase by approximately RMB21,000 (2016: RMB27,781,000). For a 5% weakening of RMB, there would be an equal and opposite impact on the loss after taxation. 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 2016.

(e) Price risk

(i) Exposure to price risk

The Group is exposed to equity price risk arising from investment in equity securities classified under available-for-sale financial assets and financial assets at financial assets at fair value through profit or loss.

(ii) Price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If the price of the respective equity securities has been 5% higher/lower:

- loss after tax would decrease/increase by approximately RMB273,000 (2016: RMB144,000) as a result of the changes in fair value of financial assets at financial assets at fair value through profit or loss.

- available-for-sale financial assets reserve would increase/decrease by approximately RMB1,687,000 (2016: RMB2,994,000) as a result of the changes in fair value of available-for-sale financial assets.

34. 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).

34. FAIR VALUE MEASUREMENT (continued)

2017

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Biological assets	–	16,444	–	16,444
Available-for-sale financial assets	30,854	–	–	30,854
Financial asset at fair value through profit or loss	5,475	–	–	5,475
	36,329	16,444	–	52,773
Derivative financial liability	–	–	5,575	5,575

2016

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Biological assets	–	12,000	–	12,000
Available-for-sale 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

There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during the year ended 30 April 2017 and 2016.

Reconciliation of Level 3 fair value measurements

	Derivative financial liability RMB'000
At 1 May 2015, 30 April 2016 and 1 May 2016	–
Addition	143,761
Fair value change in derivative financial liability	(136,088)
Exchange alignment	(2,098)
At 30 April 2017	5,575

34. FAIR VALUE MEASUREMENT (continued)

Prevailing market data

Type	Valuation approach	Key measurements inputs 2017	Key measurements inputs 2016	Inter-relationship between key measurement input and fair value measurement
Biological assets	The fair value less costs to sell of biological assets by adopted income approach with discount cash flow	– planted 6,750 mu of lotus root – planted 200 mu of chill – planted 800 mu of watermelon – planted 100 mu of tomato – planted 25 mu of peanuts – planted 25 mu of loofah	– planted 2,000 mu of lotus root – planted 260 mu of chill – planted 320 mu of watermelon – planted 150 mu of tomato – planted 100 mu of rice – planted 2,000 mu of sweet corn	The planted area increase, the fair value less cost to sell increase, and vice versa
Derivative financial liability in relation to the convertible notes issued by the Group	Crank-Nicolson finite-difference method	– Expected volatility of 105.5% – Risk free rate 0.9% – Share price as at 30 April 2017 HK$0.036 per share – Conversion price per share HK$0.1 – Discount rate 16.7%	N/A	An increase in the expected volatility would result in increase in the fair value of the derivative financial liability, and vice versa. A 5% increase/decrease in the expected volatility holding all other variables constant would increase/decrease the carrying amount of the derivative financial liability by approximately RMB415,000/approximately RMB433,000. An increase in the discount rate would result in increase in the fair value of the derivative financial liability, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would increase/decrease the carrying amount of the derivative financial liability by approximately RMB199,000/approximately RMB205,000.

35. STATEMENT OF THE COMPANY'S FINANCIAL POSITION

	2017 RMB'000	2016 RMB'000
Non-current assets		
Property, plant and equipment	**281**	312
Available-for-sales financial assets	**8,484**	11,164
Investments in subsidiaries	**247,802**	234,726
	256,567	246,202
Current assets		
Trade and other receivables	**1,346**	511
Amount due from subsidiaries	**1,640,419**	1,584,207
Cash and cash equivalents	**4,224**	817
	1,645,989	1,585,535
Current liabilities		
Other payables	**45,853**	93,320
Amount due to subsidiaries	**589,620**	192,779
Bank and other borrowings	**–**	314,406
Derivative financial liability	**5,575**	–
Convertible bonds	**–**	568,391
	641,048	1,168,896
Net current assets	**1,004,941**	416,639
Total assets less current liabilities	**1,261,508**	662,841
Non-current liabilities		
Convertible notes	**116,227**	–
	116,227	–
Net assets	**1,145,281**	662,841

35. STATEMENT OF THE COMPANY'S FINANCIAL POSITION (continued)

	2017 RMB'000	2016 RMB'000
Capital and reserves		
Share capital	**590,615**	98,571
Reserves	**554,666**	564,270
Total equity attributable to owners of the Company	**1,145,281**	662,841

Approved and authorised for issue by the board of directors on 25 July 2017.

Sun Shao Feng
Director

Chen Changgai
Director

36. INVESTMENTS IN 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 Harvest (Xiamen) Import & Export 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 Co. 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
Zhonglu (Quanzhou) Green Foods Developing Co.,Ltd. (Note (ii))	The PRC	HK$175,000,000	100%	–	100%	Processing and sales of agricultural products

36. INVESTMENTS IN 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 (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 Rice 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 (Baicheng) Agricultural Development Limited (Note (iii))	The PRC	RMB20,000,000	100%	–	100%	Growing, processing and sales of agricultural products
China Green Beverages (HK) Limited	Hong Kong	HK$1	100%	–	100%	Security 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.

37. COMMITMENTS

The Group as lessee

(a) *Capital commitments*

Capital commitments of the Group at 30 April 2017 and 2016 not provided for in the consolidated financial statements were as follows:

	2017 RMB'000	2016 RMB'000
Contracted but not provided for		
– Purchase of property, plant and equipment	215,578	2,782

(b) *Operating lease commitments*

At 30 April 2017 and 2016, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	2017 RMB'000	2016 RMB'000
Within one year	768	903
After one year but within five years	250,000	4,423
After five years	1,267,500	1,585,000
Total	1,518,268	1,590,326

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 30 years, with an option to renew the lease when all terms are renegotiated.

38. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statement, during the years ended 30 April 2017 and 2016, the Group had entered into the following 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:

	2017 RMB'000	2016 RMB'000
Short-term employee benefits	**11,260**	11,093
Post-employment benefits	**62**	44
	11,322	11,137

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

39. NON-CASH TRANSACTION

On 20 May 2016, the Company entered into Supplemental deed with the lender and agreed to restructure the loan with principal amount of approximately RMB162,056,000 (equivalent to HK$190,000,000) by issuing the convertible notes 2017. For the detail information, please refer to the note 30(b) and 30(c).

40. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Note 34 contain information about the assumptions relating to the fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairments of non-financial assets

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 held for own use under operating leases, long-term prepaid rentals, deposits paid for property, plant and equipment, 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)

Key sources of estimation uncertainty (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.

(f) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The carrying amount of derivative financial liability of approximately RMB5,575,000 (2016: nil) in relation to the conversion option embedded in convertible note was calculated by using Crank-Nicolson finite-difference method.

40. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

(g) Impairment of available-for-sale financial assets

The group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making the judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

In addition, as the decline in fair value of the available-for-sale financial asset were considered significant or prolonged, the loss of approximately RMB18,581,000 (2016: RMB115,280,000), being accounted for as impairment and recognised in the consolidated statement of profit or loss and other comprehensive income.

41. EVENTS AFTER THE REPORTING PERIOD

(a) A special resolution in relation to capital reorganisation comprising the capital reduction and the share subdivision was duly passed by way of poll at the special general meeting of the Company held on 29 June 2017.The capital reorganisation became effective on 30 June 2017.

After the capital reorganisation,

(1) the par value of each of the then issued shares of the Company was reduced from HK$0.10 each by cancelling the paid-up capital of the Company to the extent of HK$0.09 on each of the then issued shares of the Company by way of a reduction of capital, so as to form issued new shares with par value of HK$0.01 each. The credits arising from such reduction of the paid-up capital had been credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

(2) immediately following the abovementioned capital reduction, each of the authorised but unissued shares of the Company of par value of HK$0.10 each was sub-divided into 10 new shares of the Company of par value of HK$0.01 each.

(b) On 8 May 2017, the Company entered into a placing agreement (the “Placing Agreement”) with a placing agent, pursuant to which the placing agent agreed to act as placing agent of the Company, on a best endeavour basis, to procure the placee(s) to subscribe for the 7.00% per annum coupon notes (“Notes”) to be issued by the Company in an aggregate principal amount of up to HK$150,000,000 maturing on the date falling on the first anniversary of the issue date of the Notes at the placing price equal to 100% of the principal amount of the Notes subject to the terms and conditions of the Placing Agreement. As at the date of approval of these consolidated financial statements, no Note has been issued.

41. EVENTS AFTER THE REPORTING PERIOD (continued)

(c) On 17 July 2017, Easy Run Global Limited, a wholly-owned subsidiary of the Company, entered into the subscription agreement with GFC Holdings Limited ("GFC"), pursuant to which GFC has conditionally agreed to allot and issue 94,603 new ordinary shares, which shall represent approximately 36% of the enlarged issued share capital of GFC upon completion, to Easy Run Global Limited at the consideration of HK$36 million (the "Subscription"). GFC is an investment holding company and its subsidiaries are engaged in the provision of food catering services and operating restaurants, cafes and take-away outlets in Hong Kong. Upon completion of the Subscription in July 2017, GFC has become an associate of the Company. For the details of the Subscription, please refer to the announcement of the Company dated 17 July 2017.

42. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group (Note 28):

	2017	2016
	RMB'000	RMB'000
Interests in leasehold land held for own use under operating leases (Note 16)	**18,470**	6,509
Property, plant and equipment (Note 15)	**109,708**	206,382
Bank deposits (Note 24)	**130,000**	287,231
Total	**258,178**	500,122

43. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 25 July 2017.

FIVE YEARS FINANCIAL SUMMARY

	For the year ended 30 April				
	2013	2014	2015	2016	**2017**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Turnover	2,184,097	640,019	521,094	406,980	**221,885**
Gross profit/(loss)	733,298	48,608	94,304	57,367	**(80,619)**
Profit/(loss) before taxation	177,716	(660,998)	(449,488)	(1,420,676)	**(1,134,742)**
Profit/(loss) attributable to owners of the Company	81,130	(667,666)	(448,024)	(1,413,600)	**(1,146,816)**
Non-current assets	4,727,775	4,774,141	3,552,408	2,414,332	**1,678,036**
Current assets	756,357	771,386	2,055,319	2,495,050	**1,741,732**
Current liabilities	(1,499,044)	(675,131)	(1,522,750)	(1,610,269)	**(809,628)**
Non-current liabilities	(70,876)	(1,288,555)	(595,586)	(210,638)	**(215,808)**
Total equity attributable to owners of the Company	3,914,212	3,581,841	3,489,391	3,088,475	**2,394,332**
Basic earnings/(loss) per share (RMB)	0.092	(0.634)	(0.664)	(1.301)	**(0.216)**