

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2020

Reference is made to the announcement of China Green (Holdings) Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) dated 31 July 2020 in relation to the unaudited annual results of the Group for the year ended 30 April 2020 (the “**Unaudited Annual Results Announcement**”) and the announcement of the Company dated 15 September 2020 in connection with the publication of audited annual results of the Group for the year ended 30 April 2020.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that the Company’s auditor, HLB Hodgson Impey Cheng Limited (“**HLB**”), has completed the audit of the consolidated financial statements of the Group for the year ended 30 April 2020 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, including the financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes as set out thereto. The audited annual results for the year ended 30 April 2020 were reviewed by the audit committee of the Company (the “**Audit Committee**”) and were approved by the Board both on 25 September 2020, details of which are set out below.

FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately 4.6% from approximately RMB471.2 million for the year ended 30 April 2019 (“FY2018/19”) to approximately RMB449.4 million for the year ended 30 April 2020 (“FY2019/20”).
- Gross profit and gross profit margin increased from approximately RMB9.6 million and 2.0% for FY2018/19 to approximately RMB42.3 million and 9.4% for FY2019/20.
- Loss for the year attributable to owners of the Company increased from approximately RMB645.1 million for FY2018/19 to approximately RMB846.4 million for FY2019/20.

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Revenue		
– Fresh produce and processed products	412,849	430,803
– Branded food products and others	36,593	40,370
	449,442	471,173
Gross profit	42,279	9,565
Gross profit margin	9.4%	2.0%
Loss for the year attributable to owners of the Company	(846,398)	(645,071)
Basic loss per share (<i>RMB</i>)	(2.32)	(1.82)
Key Financial Ratios		
Current Ratio	0.56 times	0.96 times
Gearing Ratio	95.3%	33.9%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2020

	<i>Notes</i>	2020 RMB'000	2019 <i>RMB'000</i>
Revenue	4	449,442	471,173
Cost of sales		<u>(407,163)</u>	<u>(461,608)</u>
Gross profit		42,279	9,565
Other revenue	5(a)	1,240	2,219
Other (losses)/gains, net	5(b)	(407)	1,265
Gain arising from changes in fair value less costs to sell of biological assets		8,225	6,698
Impairment loss on property, plant and equipment		(166,552)	(209,606)
Impairment loss on right-of-use assets		(379,496)	–
Impairment loss on long-term prepaid rentals		–	(162,826)
Selling and distribution expenses		(42,035)	(41,820)
General and administrative expenses		(229,828)	(200,861)
Share of loss of investment in an associate		–	(3,545)
Share of loss of investment in a joint venture		(133)	(94)
Loss from operations		(766,707)	(599,005)
Finance costs	6(a)	(79,691)	(46,066)
Loss before taxation	6	(846,398)	(645,071)
Income tax	7	–	–
Loss for the year attributable to owners of the Company		<u>(846,398)</u>	<u>(645,071)</u>
Other comprehensive (loss)/income for the year (after tax)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		(13,637)	(10,771)
Exchange differences on translation of financial statements of investment in an associate		–	219
		(13,637)	(10,552)
<i>Items that will not reclassified to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		(144)	(4,583)
Other comprehensive loss for the year		(13,781)	(15,135)
Total comprehensive loss for the year attributable to owners of the Company		<u>(860,179)</u>	<u>(660,206)</u>
Loss per share attributable to owners of the Company (RMB)			
– Basic and diluted	9	(2.32)	(1.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2020

	<i>Notes</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		488,064	747,220
Interests in leasehold land held for own use under operating leases		–	114,094
Long-term prepaid rentals		–	446,755
Right-of-use assets		628,797	–
Investment in an associate		–	–
Investment in a joint venture		553	686
Financial assets at fair value through other comprehensive income		2,921	4,449
		<u>1,120,335</u>	<u>1,313,204</u>
Current assets			
Inventories		4,134	4,299
Biological assets		14,740	13,732
Current portion of long-term prepaid rentals		–	24,777
Trade and other receivables	10	208,229	106,821
Pledged bank deposits		6,750	1,982
Cash and cash equivalents		44,690	339,022
		<u>278,543</u>	<u>490,633</u>
Current liabilities			
Trade and other payables	11	257,392	68,060
Bank borrowings		165,000	260,000
Lease liabilities		49,591	–
Amount due to a director		7,540	7,102
Amount due to a shareholder		1,426	1,343
Convertible notes		–	155,029
Income tax payable		17,804	17,804
		<u>498,753</u>	<u>509,338</u>
Net current liabilities		<u>(220,210)</u>	<u>(18,705)</u>
Total assets less current liabilities		<u>900,125</u>	<u>1,294,499</u>

	2020	2019
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Deferred tax liabilities	69,081	69,581
Lease liabilities	466,305	—
	<u>535,386</u>	<u>69,581</u>
Net assets	<u>364,739</u>	<u>1,224,918</u>
Capital and reserves		
Share capital	62,247	62,247
Reserves	302,492	1,162,671
	<u>364,739</u>	<u>1,224,918</u>
Total equity attributable to owners of the Company	<u>364,739</u>	<u>1,224,918</u>

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2020

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

Going concern

For the year ended 30 April 2020, the Group incurred a loss of approximately RMB846,398,000 (2019: approximately RMB645,071,000) and a net cash outflow from operating activities of approximately RMB180,010,000 (2019: approximately RMB54,119,000). As at 30 April 2020, the Group had net current liabilities of approximately RMB220,210,000 (2019: approximately RMB18,705,000). In addition, the Group’s convertible notes with principal amount of approximately HK\$190,000,000 (equivalents to approximately RMB173,167,000) was matured on 22 August 2019 and together of the accrued interest RMB14,546,000 (equivalents to HK\$15,960,000) was not paid as at 30 April 2020. As at 30 April 2020, the Group’s bank borrowings of RMB165,000,000 will be due in October 2020.

These conditions indicate the existence of a material uncertainty that might cast significant doubt about the Group’s ability to continue as going concern and therefore the Group may be unable to realise the Group’s liabilities in the normal course of business.

In view of such circumstances, the Directors have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding convertible notes and bank borrowings and be able to finance its future working capital and finance requirements. Certain measures have been and will be taken to manage its liquidity need and to improve its financial position which include, but are not limited to, the following:

1. Mr. Sun Shao Feng, the chairman, the chief executive officer and executive Director of the Company, is willing to continue to provide financial support to the Group to enable the Group to continue as a going concern;
2. As at the date of approval of these financial statements, the Group is actively exploring, formulating and negotiating feasible debt restructuring plans with convertible notes holder’s representatives;
3. The Group will contact its current bank partners for bank borrowings renewal;
4. The Group will seek to obtain any possible financing; and
5. The Group will implement operation plans to control costs and generate adequate cash flows from the Group’s operations.

Having considered the above, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 30 April 2020 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to Hong Kong Financial Reporting Standards (“new and amendments to HKFRSs”) issued by the HKICPA for the first time in the current year:

HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 May 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 May 2019.

As at 1 May 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;
- (iv) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review; and
- (v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 9.5%.

The following table reconciles the operating lease commitments as at 30 April 2019 to the opening balance for lease liabilities recognised as at 1 May 2019:

	<i>RMB'000</i>
Operating lease commitments disclosed as at 30 April 2019	<u>1,105,634</u>
Lease liabilities discounted at relevant incremental borrowing rates	471,292
Less: Recognition exemption – short-term leases	<u>(634)</u>
Lease liabilities as at 1 May 2019	<u><u>470,658</u></u>
Analysed as	
Current	45,238
Non-current	<u>425,420</u>
	<u><u>470,658</u></u>
The recognised right-of-use assets relate to the following types of assets:	
	As at 1 May 2019 <i>RMB'000</i>
Agricultural land	<u><u>470,658</u></u>

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 May 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported as 30 April 2019 RMB'000	Adjustments RMB'000	Reclassification RMB'000	Carrying amounts under HKFRS 16 at 1 May 2019 RMB'000
Non-current Assets				
Fixed assets:				
– Interest in leasehold land held for own use under operating leases	114,094	–	(114,094)	–
Long-term prepaid rentals	446,755	–	(446,755)	–
Right-of-use assets	–	470,658	588,664	1,059,322
Current Assets				
Trade and other receivable:				
– Interest in leasehold land held for own use under operating lease	3,038	–	(3,038)	–
Current portion of long-term prepaid rentals	24,777	–	(24,777)	–
Current Liabilities				
Lease liabilities	–	45,238		45,238
Non-Current Liabilities				
Lease liabilities	–	425,420		425,420

The application of HKFRS 16 to lease previously classified as operating leases under HKAS 17 resulted in the recognition of right-of-use assets of RMB470,658,000 and lease liabilities of RMB470,658,000 at the initial adoption of HKFRS 16.

Upfront payments for long-term prepaid rental and interest in leasehold land held for own use under operating lease as at 30 April 2019. Upon application of HKFRS 16 the current and non-current portion of long-term prepaid rental and interest in leasehold land held for own use under operating lease amount to RMB24,777,000 and RMB446,755,000 and RMB3,038,000 and RMB114,094,000 respectively were reclassified to right-of-use asset as at 1 May 2019.

For the purpose of reporting cash flows from operating activities under indirect method for the year ended 30 April 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

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 17	Insurance Contracts ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ²
Amendments to HKFRS 16	Covid-19 – Related Rent Concessions ⁵

¹ Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

² Effective for annual periods beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2021.

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

⁵ Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT REPORTING

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

- Fresh produce and processed products: this segment grows, 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.

(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 2020 and 2019 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.

	Fresh produce and processed products		Branded food products and others		Total	
	2020	2019	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	412,849	430,803	36,593	40,370	449,442	471,173
Inter-segment revenue	10,161	9,685	-	-	10,161	9,685
Reportable segment revenue	<u>423,010</u>	<u>440,488</u>	<u>36,593</u>	<u>40,370</u>	<u>459,603</u>	<u>480,858</u>
Reportable segment loss	<u>(633,045)</u>	<u>(433,168)</u>	<u>(23,248)</u>	<u>(22,030)</u>	<u>(656,293)</u>	<u>(455,198)</u>
Interest income	855	1,304	7	4	862	1,308
Depreciation and amortisation	126,113	127,628	603	1,573	126,716	129,201
Income tax	-	-	-	-	-	-
Reportable segment assets	1,200,763	1,576,993	5,421	33,081	1,206,184	1,610,074
Gain arising from changes in fair value less costs to sell of biological assets	8,225	6,698	-	-	8,225	6,698
Finance costs	45,238	2,476	-	507	45,238	2,983
Impairment loss on property, plant and equipment	166,552	209,606	-	-	166,552	209,606
Impairment loss on long-term prepaid rentals	-	162,826	-	-	-	162,826
Impairment loss on right-of-use assets	379,496	-	-	-	379,496	-
Capital expenditure (Note)	379	5,180	179	174	558	5,354
(Gain)/loss on disposal of property, plant and equipment	(60)	581	-	119	(60)	700
Share of loss of investment in a joint venture	133	94	-	-	133	94
Reversal of impairment losses under expected credit loss model, net	59	17	29	4	88	21
Reportable segment liabilities	<u>533,048</u>	<u>16,581</u>	<u>1,394</u>	<u>4,187</u>	<u>534,442</u>	<u>20,768</u>

Note: Capital expenditure consists of additions to property, plant and equipment during the year.

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

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Revenue		
Reportable segment revenue	459,603	480,858
Elimination of inter-segment revenue	<u>(10,161)</u>	<u>(9,685)</u>
Consolidated revenue	<u><u>449,442</u></u>	<u><u>471,173</u></u>
Profit or loss		
Reportable segment loss derived from		
Group's external customers	(656,293)	(455,198)
Finance costs	(34,453)	(43,083)
Finance income	118	742
Other revenue and gain	–	183
Share of loss of investment in an associate	–	(3,545)
Reversal of impairment losses under expected credit loss model, net	7	981
Unallocated depreciation and amortisation	(12,842)	(13,221)
Unallocated head office and corporate expenses	(142,935)	(132,178)
Fair value change in derivative financial liability	<u>–</u>	<u>248</u>
Consolidated loss before taxation	<u><u>(846,398)</u></u>	<u><u>(645,071)</u></u>
	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Assets		
Reportable segment assets	1,206,184	1,610,074
Unallocated head office and corporate assets:		
– Fixed assets	139,849	152,679
– Pledge bank deposits	6,750	1,982
– Cash and cash equivalents	31,233	2,564
– Other assets	<u>14,862</u>	<u>36,538</u>
Consolidated total assets	<u><u>1,398,878</u></u>	<u><u>1,803,837</u></u>

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Liabilities		
Reportable segment liabilities	534,442	20,768
Convertible notes	–	155,029
Deferred tax liabilities	69,081	69,581
Bank borrowings	165,000	260,000
Unallocated head office and corporate liabilities	<u>265,616</u>	<u>73,541</u>
Consolidated total liabilities	<u><u>1,034,139</u></u>	<u><u>578,919</u></u>

(c) **Geographical information**

During the years ended 30 April 2020 and 2019, 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 2020 and 2019. No analysis of the Group's result and assets by geographical area is disclosed.

(d) **Information about major customers**

During the years end 30 April 2020 and 2019, none of the individual customer accounted for 10% or more of the Group's external revenue.

4. REVENUE

During the years ended 30 April 2020 and 2019, the Group was principally engaged in the growing, processing and sales of agricultural products, production and sales of consumer food products.

Revenue 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 follow:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Disaggregation of revenue from contract with customers		
<i>At a point in time</i>		
Fresh produce and processed products	412,849	430,803
Branded food products and others	<u>36,593</u>	<u>40,370</u>
	<u><u>449,442</u></u>	<u><u>471,173</u></u>

All revenue are for the periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. Revenue recognition are disclosed in significant accounting policies to the consolidated financial statements.

5. OTHER REVENUE AND OTHER (LOSSES)/GAINS, NET**(a) Other revenue**

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	980	2,051
Sundry income	260	168
	<hr/> 1,240 <hr/>	<hr/> 2,219 <hr/>

(b) Other (losses)/gains, net

	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Exchange gain, net	–	15
Fair value change in derivative financial liability	–	248
Loss on disposal of a subsidiary	(502)	–
Reversal of impairment losses under expected credit loss model, net	95	1,002
	<hr/> (407) <hr/>	<hr/> 1,265 <hr/>

6. LOSS BEFORE TAXATION

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

	2020 <i>RMB'000</i>	2019 RMB'000
(a) Finance costs		
Interest on borrowings wholly repayable within five years		
– interest on convertible notes	19,081	22,989
– interest on bank borrowings	15,372	23,077
Interest on lease liabilities	45,238	–
	<u>79,691</u>	<u>46,066</u>
(b) Staff costs		
Employee benefits expenses (including Directors' emoluments):		
Salaries, wages and other benefits	26,728	29,940
Contributions to defined contribution retirement plans	1,304	1,313
	<u>28,032</u>	<u>31,253</u>
(c) Other items		
Amortisation of interests in leasehold land held for own use under operating leases	–	3,038
Amortisation of long-term prepaid rentals	–	36,704
Depreciation of property, plant and equipment	89,912	102,680
Depreciation of right-of-use assets	49,646	–
Operating lease charges: minimum lease payment		
– property rentals	–	821
Expenses relating to short-term leases	539	–
Auditors' remuneration		
– audit services	1,431	1,374
– non-audit services	9	9
Cost of inventories sold	407,163	461,608
(Gain)/loss on disposal of property, plant and equipment	(60)	700

7. INCOME TAX

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Current tax – Enterprise income tax in the PRC		
– Provision for the year	–	–
Deferred tax		
Origination and reversal of temporary differences	–	–
Total income tax expenses recognised in profit or loss	–	–

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 for both years.

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

(ii) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax for the years ended 30 April 2020 and 2019 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.

8. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 April 2020 (2019: nil).

9. LOSS PER SHARE

(a) Basic loss per share

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

(i) Loss attributable to owners of the Company

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Loss attributable to owners of the Company used to determine basic and diluted loss per share	<u>(846,398)</u>	<u>(645,071)</u>

(ii) Number of shares

	2020	2019
Weighted average number of ordinary shares for calculation of basic and diluted loss per share	<u>365,158,370</u>	<u>353,738,669</u>

(b) Diluted loss per share

Diluted loss per share for the years ended 30 April 2020 and 2019 was the same as the basic loss per share.

For the years ended 30 April 2020 and 2019, the computation of diluted loss per share did not assume exercise of outstanding share options during the years ended 30 April 2020 and 2019 since the effect of such exercise was anti-dilutive.

For the years ended 30 April 2020 and 2019, the computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible notes since the effect of such conversion was anti-dilutive.

10. TRADE RECEIVABLES

Trade receivables with the following ageing analysis as of the end of the reporting period, net of allowance:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Within 1 month	78	5,009
Over 1 month but within 3 months	33	2,358
Over 3 months but within 6 months	1,203	222
	<hr/> 1,314 <hr/>	<hr/> 7,589 <hr/>

Trade receivables are normally due within 30 days (2019: 30 days) from the date of billing. The ageing analysis of trade receivables presented based on the invoices date at the report date.

11. TRADE PAYABLES

The credit periods granted by suppliers generally 30 days. As at 30 April 2020 and 2019, the ageing analysis of trade payables based on invoice date is as follow:

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Within 1 month	11	3,909
Over 1 month but within 3 months	268	3,539
Over 3 months but within 6 months	77	5
Over 6 months but within 1 year	1,250	235
	<hr/> 1,606 <hr/>	<hr/> 7,688 <hr/>

MATERIAL DIFFERENCES BETWEEN THE ANNUAL RESULTS IN THE UNAUDITED ANNUAL RESULTS ANNOUNCEMENT AND THE AUDITED ANNUAL RESULTS IN THIS ANNOUNCEMENT

Since financial information contained in the Unaudited Annual Results Announcement was neither audited nor agreed with HLB as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to material differences between the annual results set out in the Unaudited Annual Results Announcement and the audited annual results disclosed in this announcement. The principal details and reasons are set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2020

	<i>Notes</i>	2020 <i>RMB'000</i> (Audited)	2020 <i>RMB'000</i> (Unaudited)	Change <i>RMB'000</i>
Other (losses)/gains, net	1	(407)	2,131	(2,538)
Impairment loss on right-of-use assets	2	(379,496)	(379,197)	(299)
Impairment loss on property, plant and equipment	2	(166,552)	(166,851)	299
General and administrative expenses	1	(229,828)	(232,366)	2,538
Finance costs	3	(79,691)	(89,507)	9,816

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2020

	<i>Notes</i>	2020 <i>RMB'000</i> (Audited)	2020 <i>RMB'000</i> (Unaudited)	Change <i>RMB'000</i>
Property, plant and equipment	2	488,064	487,765	299
Right-of-use assets	2	628,797	629,096	(299)
Trade and other payables	3	257,392	267,381	(9,989)

Note:

1. The changes related to the reclassification of the loss on disposal of a subsidiary from general and administrative expenses to other (loss)/gain.
2. The changes related to the reclassification of the impairment loss on property, plant and equipment to impairment loss on right-of-use assets.
3. The changes related to recalculation of the default interest of the convertible notes.

Save as disclosed in this further announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, there are no material changes to the information contained in the Unaudited Annual Results Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

As a result of the above adjustments, the Board would like to clarify that in the section headed “Management Discussion And Analysis” in the Unaudited Annual Results Announcement (with amendments underlined):

- a) The first two sentences of the sub-section headed “Other gains” on page 24 of the Unaudited Annual Results Announcement shall be read as follows:

“Other losses

During FY2019/20, the Group recorded other losses of approximately RMB407,000 (FY2018/19: other gains of approximately RMB1,265,000). The other losses are mainly due to the loss of approximately RMB502,000 on disposal of the entire equity interest in 奉新中綠碧雲有機大米科技有限公司 (Fengxin Zhonglu Biyun Organic Rice Science Technology Limited*).”

- b) The first paragraph of the sub-section headed “Impairment loss on property, plant and equipment” on page 25 of the Unaudited Annual Results Announcement shall be read as follows:

“During FY2019/20, the Group recognised impairment loss on property, plant and equipment of approximately RMB166,552,000, representing a decrease of approximately 20.5% as compared to approximately RMB209,606,000 for FY2018/19.”

- c) The first paragraph of the sub-section headed “Impairment loss on right-of-use assets” on page 25 of the Unaudited Annual Results Announcement shall be read as follows:

“During FY2019/20, the Group recognised impairment loss on right-of-use assets of approximately RMB379,496,000 (FY2018/19: Nil).”

- d) The first sentence and last sentence of the sub-section headed “Operating expenses” on page 25 of the Unaudited Annual Results Announcement shall be read as follows:

“Total operating expenses amounted to approximately RMB271,863,000 (FY2018/19: approximately RMB242,681,000).” and “General and administrative expenses were approximately RMB229,828,000 (FY2018/19: approximately RMB200,861,000), representing an increase of approximately 12.6%, mainly due to the increase in research and development costs for new products and increase in insurance premium for the purpose of reducing finance costs.”

- e) The first sentence of the sub-section headed “Loss attributable to owners of the Company” on page 26 of the Unaudited Annual Results Announcement shall be read as follows:

“During FY2019/20, loss attributable to owners of the Company was approximately RMB846,398,000 (FY2018/19: approximately RMB645,071,000).”

- f) The first two sentences of the first paragraph of the section headed “Uncertainties Relating to Going Concern” on page 27 of the Unaudited Annual Results Announcement shall be read as follows:

For the year ended 30 April 2020, the Group incurred a loss of approximately RMB846,398,000 (2019: approximately RMB645,071,000) and a net cash outflow from operating activities of approximately RMB180,010,000 (2019: approximately RMB54,119,000). As at 30 April 2020, the Group had net current liabilities of approximately RMB220,210,000 (2019: approximately RMB18,705,000).

- g) The first three sentences of the section headed “Group’s Liquidity and Financial Resources” on page 29 of the Unaudited Annual Results Announcement shall be read as follows:

“As at 30 April 2020, the Group’s total cash and cash equivalents amounted to approximately RMB44,690,000 (30 April 2019: approximately RMB339,022,000) whilst the total assets and net assets were approximately RMB1,398,878,000 (30 April 2019: approximately RMB1,803,837,000) and RMB364,739,000 (30 April 2019: approximately RMB1,224,918,000) respectively. The Group had current assets of approximately RMB278,543,000 (30 April 2019: approximately RMB490,633,000) and current liabilities of approximately RMB498,753,000 (30 April 2019: approximately RMB509,338,000). The current ratio was 0.56 times (30 April 2019: 0.96 times).”

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2020 as set out in this further announcement have been agreed by the Group's auditor, HLB, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 25 September 2020. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on this further announcement.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" are extracted from independent auditors' report for the year ended 30 April 2020 as follows:

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation on investment in an associate

As disclosed in the Note 17 to the consolidated financial statements, the Group has an investment in an associate which the carrying amount of the investment in the associate remained at nil as at 30 April 2020. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in the associate as at 30 April 2020 and the Group's share of results and impairment loss reversal, if any, for the year then ended because we were denied access to the management and auditors of the associate. Hence we were unable to carry out audit procedures we considered necessary on the financial information of the associate, including its financial position as at 30 April 2020 and its profit or loss for the year then ended. Consequently, we were unable to determine whether any adjustments to the carrying amount of the Group's investment in the associate as at 30 April 2020 and the Group's share of results of the associate and impairment loss reversal, if any, for the year then ended, as well as the disclosures in Note 17 about the financial information of the associate, were necessary. Any adjustments found to be necessary may have a consequential significant impact on the loss and other comprehensive loss of the Group for the year ended 30 April 2020 and the Group's net assets as at 30 April 2020 and the related elements presented or disclosed in the consolidated financial statements.

Scope limitation on financial assets at fair value through other comprehensive income

As disclosed in the Note 19 to the consolidated financial statements, the Group's investment in financial assets at fair value through other comprehensive income is carried at approximately RMB2,921,000 as at 30 April 2020. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the investment as at 30 April 2020 because no valuation of the investment as at 30 April 2020 was performed by management or independent professional valuer engaged by the management and management was unable to provide us with the financial results and other relevant financial information in respect of the investee company. We were unable to satisfy ourselves about the carrying amount of the Group's investment in the financial assets at fair value through other comprehensive income as at 30 April 2020 and the fair value change to be recognised in other comprehensive income of the Group for the year then ended. Consequently, we were unable to determine whether any adjustments to these recorded amounts were necessary. Any adjustments found to be necessary may have a consequential significant impact on the other comprehensive loss of the Group for the year ended 30 April 2020 and the Group's net assets as at 30 April 2020 and the related elements presented or disclosed in the consolidated financial statements.

Material uncertainties relating to the going concern basis

As explained in Note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB846,398,000 for the year ended 30 April 2020, and, as of that date, the Group's current liabilities exceeds its current assets by approximately RMB220,210,000. The Group's convertible notes with principal amount of HK\$190,000,000 (equivalents to approximately RMB173,167,000) matured on 22 August 2019 and together with the overdue interest payment of RMB14,546,000 (equivalents to HK\$15,960,000) was not repaid as at 30 April 2020 and at the date of this report. The Group's bank borrowings of RMB165,000,000 outstanding as at 30 April 2020 will fall due in October 2020. The directors are undertaking certain measures to improve the Group's liquidity and financial position, which are set out in Note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the eventual successful outcomes of these measures, which are subject to multiple uncertainties, including (i) whether Mr. Sun Shao Feng, the chairman, chief executive officer and executive Director of the Company, is able to provide financial support to the Group to enable the Group to continue to operate as a going concern in the foreseeable future and to settle the Group's liabilities as and when they fall due; (ii) whether the Group is able to successfully negotiate with the holders of its outstanding convertible notes to restructure and/or refinance the obligation, including extending the repayment dates for those with overdue principals and interests; (iii) whether the Group is able to secure necessary credit facilities to enable the Group to meet its working capital and financial requirements in the foreseeable future; (iv) whether the Group is able to obtain renewals of its existing bank borrowings when they fall due for repayment; (v) whether the Company is able to successfully undertake alternative capital raising transactions to strengthen the capital base of the Group; and (vi) whether the Group is able to implement its cost control measures to attain positive cash flows from operations.

The factors referred to above, along with other matters as described in Note 2 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements and we were unable to determine whether such adjustment were necessary.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 April 2020 (2019: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 2020.

REVIEW OF AUDITED ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 30 April 2020, including the accounting principles and practices adopted by the Group, which was of the opinion that such financial information complied with the applicable accounting standards and requirements and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and adequate disclosures had been made.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**2020 AGM**") is scheduled to be held on Friday, 30 October 2020. A circular containing, among other matters, further information relating to the 2020 AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Tuesday, 27 October 2020 to Friday, 30 October 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, all transfers of shares 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 October 2020.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The 2020 Annual Report will be dispatched to shareholders of the Company and published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.chinagreen.com.hk by end of September 2020. This announcement can also be accessed on the above websites.

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

Hong Kong, 25 September 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer) and Mr. Wang Jinhua; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Guo Zebin.

* *For identification purpose only*