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## **CHINA GREEN (HOLDINGS) LIMITED**

### **中國綠色食品（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

*(Stock code: 904)*

#### **UPDATE ON FINANCIAL INFORMATION**

This announcement is made by China Green (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, the loss attributable to owners of the Company for the year ended 30 April 2021 (the “**Current Financial Year**”) is expected to decrease by no less than approximately 40% as compared to the loss attributable to owners of the Company of approximately RMB846,398,000 for the year ended 30 April 2020 (the “**Corresponding Financial Year**”).

The Board considers that such decrease in loss was mainly attributable to the following:

- (i) the total operating expenses of the Group decreased by approximately 35% from approximately RMB271,863,000 in the Corresponding Financial Year, which was mainly due to (a) less expense incurred as compared to the Corresponding Financial Year as a result of the timeline of research and development, the product research and development expenses incurred in the Current Financial Year was in the research and development stage; (b) benefiting from the brand advertising and promotion expenses incurred in the Corresponding Financial Year, the cost of maintaining the brand advertising and promotion during the Current Financial Year was reduced; and (c)

enhancement of corporate governance, streamlining of the workforce and reasonable control of various expenses of the Group, while focusing on the Group's principal business and continuously refine the Group's products and services;

- (ii) the impairment loss on property, plant and equipment decreased by approximately 45% from approximately RMB166,552,000 in the Corresponding Financial Year, which was mainly due to (a) certain equipment had been fully depreciated during the Current Financial Year; and (b) maintenance of the related property, plant and equipment during the Current Financial Year to extend their useful life and performance; and
- (iii) the impairment loss on right-of-use assets decreased by approximately 40% from approximately RMB379,496,000 in the Corresponding Financial Year, which was mainly due to (a) certain right-of-use assets had been fully amortized during the Current Financial Year; and (b) the epidemic prevention and control situation has stabilized and the consumption sentiment gradually recovered during the second half of 2020 and during the Current Financial Year, the quality of the Group's fresh produce was improved and the product mix of agricultural products was adjusted, which resulted in an increase in the selling price and sales volume of the Group's products. As a result, the expected future net cash flow of long-term leased agricultural land was increased and therefore the impairment loss on the right-of-use assets was decreased as compared to that of the Corresponding Financial Year.

The Board also announces that primarily due to the impairment of equipment and the impairment of right-of-use assets, the Group expects to record net liabilities of no less than RMB90,000,000 as at 30 April 2021, while a net asset value of approximately RMB364,739,000 was recorded as at 30 April 2020.

As the Company is still in the process of finalising the Group's consolidated annual results for the year ended 30 April 2021 (the "**Annual Results**"), the information contained in this announcement is only based on the preliminary assessment of the information currently available to the Board and not on any figures or information which have been audited by the Company's auditors or reviewed by the audit committee of the Company. The information disclosed in this announcement may be subject to changes and adjustments. Details of the Group's performance will be disclosed in the Annual Results announcement which is expected to be published on 10 September 2021.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 8 September 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer), Mr. Wang Jinhua and Mr. Tong Shun Luen Philip; one non-executive Director, namely Ms. Chen Xiaodan; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Guo Zebin.*