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FOR IMMEDIATE RELEASE**China Green Reports First-Half Fiscal-Year 2012 Financial Results**

- **Revenues Increased 16.2% Year-over-Year to RMB 1,289 Million**
- **Branded-Beverage Sales Increased 66.1% to RMB 582 Million**

HONG KONG, December 29, 2011 – China Green (Holdings) Limited, (HK:0904), (“China Green”, the “Group”, or the “Company”), a leading branded food and beverage company and integrated green-food provider in China, today announced financial results for the six months ended October 31, 2011.

First-Half Fiscal-Year 2012 Highlights:

- Revenue increased 16.2% year-over-year to RMB 1,289 million
- Gross profit rose 12.8% year-over-year to RMB 650 million
- Operating profit increased 6.5% year-over-year to RMB 441 million
- Net income attributable to equity shareholders increased 2.8% to RMB 292 million, or RMB 0.33 per diluted share, from RMB 284 million, or RMB 0.32 per diluted share
- New product launches include hot-pot ingredients under the new “Cu Liang Dang Dao” brand and new beverage flavours

“In the first half of fiscal year 2012, we recorded double-digit revenue growth, driven by strong demand for our multi-grain beverages that were launched in mid-2009. Our branded beverage segment has achieved phenomenal growth, with a 66.1% increase in sales compared to the same period last fiscal year,” commented Mr. Sun Shao Feng, Chairman and CEO of China Green. “To serve the massive domestic consumer market, which drives robust demand for healthy products, we are continuing to realign our resources towards national, rather than international, markets. As a result, in the first half of fiscal 2012, we derived approximately 68.6% of our total sales domestically. Additionally, we further expanded our national distribution channel, and our network expanded to 1,400 beverage distributors as of the end of October 2011.”

“We continue to maintain high standards in terms of product quality, variety and safety by leveraging our agricultural expertise and integrated production platform. Looking ahead, our dedicated R&D team will continue to develop diversified product offerings that cater to fast changing consumer tastes,” added Mr. Sun.

First-Half Fiscal-Year 2012 Results

Revenue increased 16.1% to RMB 1,289 million from RMB 1,110 million in the first half of the fiscal year 2011. Domestic sales accounted for approximately 68.6% of total revenue,

an increase of 21.2% versus the year-ago period. The increase was primarily due to the Company's focus on serving the domestic market, primarily through the expansion of distribution network of the Group's branded food and beverage products, in order to benefit from rising disposable incomes and the growth of China's consumer economy.

<i>(RMB millions)</i>	1HFY2012 Sales	(%) of Total	1HFY2011 Sales	(%) of Total
Processed Products	395.2	30.7%	372.3	33.5%
Branded Beverages	581.7	45.1%	350.2	31.6%
Branded Food	107.0	8.3%	111.1	10.0%
Fresh Produce	205.2	15.9%	242.1	21.8%
Others	-	-	34.0*	3.1%
Total	1,289.1	100.0%	1,109.7	100.0%

* Note: Other turnover of RMB 34.0 million mainly represented fast-food catering revenue during the period.

Processed Products

Revenue from the processed-product segment grew 6.1% to RMB 395.2 million (1H 2010/2011: RMB 372.3 million), comprising 30.7% (1H 2010/2011: 33.5%) of the Group's total revenue. The increase in revenue was primarily driven by higher demand from overseas. The overseas market represented 92.8% (1H 2010/2011: 92.1%) of the total processed-products revenue, whereas the remaining 7.2% (1H 2010/2011: 7.8%) was from domestic market.

Branded Beverages

Revenue from the branded beverage segment continued to show stellar results, increasing 66.1% to RMB 581.7 million (1H 2010/2011: RMB 350.2 million) and comprising 45.1% (1H 2010/2011: 31.6%) of the Group's total revenue. The increase in sales was primarily due to rapid growth in sales of healthy multi-grain products under the brand "Cu Liang Wang," which is only sold domestically.

During the first half of fiscal year 2012, the Company's R&D team continued to step up its effort in product development. In August 2011, the Company launched multi-grain sour plum juice, which was well received by the market.

In terms of marketing, the Company continued to accelerate market penetration and enhance brand awareness outside of southern China under the "China Green" brand. The Company continued to expand to less-developed markets such as in Sichuan, Ningxia, Yunnan, Qinghai provinces and in Inner Mongolia, and revenue within these regions showed robust growth.

Branded Food

Revenue from the branded food segment decreased slightly by 3.7% to RMB 107.0 million (1H 2010/2011; RMB 111.1 million), comprising 8.3% (1H 2010/2011: 10.0%) of the Group's total revenue. Sales declined slightly due to the suspension of sales of instant noodles in May 2011, which was offset by an increase in sales of multi-grain hot-pot ingredients under the "Cu Liang Dang Dao" brand, launched in September 2011, as well as higher sales of rice-related products.

Fresh Produce

Revenue from the fresh-produce segment was RMB 205.2 million (1H 2010/2011: RMB 242.2 million), or 15.9% (2010/2011: 21.8%) of the Group's total sales. The decline was primarily due to longer resting periods for certain farmland in order to adapt to changes in product mix.

In this segment, domestic sales accounted for 81.2% (1H 2010/11: 84.5%) of total fresh produce revenue, while the remaining 18.8% (1H 2010/11: 15.5%) was from export markets. Sweet corn, lotus root, radishes, hairy beans, pak choy and watermelons were the top-selling products, contributing approximately RMB 83.9 million, or 40.9% of total fresh produce revenue.

Gross profit grew 12.8% year-over-year to RMB 650 million, up from RMB 576 million in the year-ago period. The gross margin declined 1.5 percentage points to 50.4%, as compared to 51.9% in the same period last fiscal year. The decrease in gross margin mainly reflects the impact from higher prices of input materials which were not fully passed onto customers, as well as a change in product mix. Gross margins for processed products, branded beverages, branded food and fresh product products were 52.2%, 51.3%, 37.7% and 50.9% compared to 54.8%, 58.1%, 37.9% and 50.4% in the same period last fiscal year, respectively.

Operating expenses (selling & distribution and general & administrative) increased by 14.0% to RMB 253 million, compared to RMB 222 million in the year-ago period. Selling and distribution expenses increased 50.3% to RMB 173 million, versus RMB 115 million in the same period fiscal 2011. The increase was primarily due to higher TV-commercial and other types of advertising expense to promote the Company's beverage brands. General and administrative expenses decreased 25.2% to RMB 80 million, or 6.2% of revenue, as compared to RMB 107 million, or 9.6% of revenue in the first half of fiscal 2011, primarily because there was a one-off exchange loss arising from the foreign currency deposits held by the Group in the last fiscal year, whereas a net exchange gain has been recorded thus far this fiscal year. In addition, finance costs declined 32.9% in the first half of fiscal 2012 to RMB 50 million, mainly due to the repayment of convertible bonds at maturity in the second half of the last fiscal year.

Operating profit rose 6.5% to RMB 441 million, or 34.2% of revenue, from RMB 414 million, or 37.3% of revenue, in the same period last fiscal year.

Profit attributable to equity shareholders increased 2.8% to RMB 292 million, or RMB 0.33 per diluted share, as compared to RMB 284 million, or RMB 0.32 per diluted share. Diluted earnings per share were calculated using weighted average share counts of 885,397,555 and 889,814,833 for the six months ended October 31, 2011 and 2010, respectively.

Financial Condition

As of October 31, 2011, China Green had RMB 1,610 million in cash and cash equivalents, RMB 1,805 million in net current assets, and a current ratio of 11.7. The Company had convertible debt outstanding with a face value of RMB 1,288 million, due in 2013.

Shareholders' equity was RMB 3,615 million as of October 31, 2011, as compared to RMB 3,349 million as of April 30, 2011.

Business Outlook

“We remain optimistic about the positive effects that Chinese government incentives to enhance domestic consumption of fast-moving consumer goods (FMCG) should have on our Company. Although it is difficult to predict the impact of inflation, the timing of natural disasters, and food safety concerns in the future, we will remain agile and adapt to changes in the markets, since our integrated business model enables us to respond and act decisively,” commented Mr. Sun. “In the second half of the fiscal-2012 business year, we expect our branded beverage products under ‘Cu Liang Wang’ will continue to be the strong drivers of the Group’s growth. China will continue to be the key green market for China Green, and therefore, we will continue to invest in sales and marketing to increase our brand awareness across China while seeking measures to mitigate inflationary pressure and enhance operational efficiency. We expect our new beverage processing plants located in Hubei and Hebei provinces to become fully operational in second half of calendar years 2012 and 2013, respectively, and triple our total annual beverage processing capacity to nearly 360,000 tons.”

About China Green (Holdings) Limited

China Green (Holdings) Limited, listed on the Hong Kong Stock Exchange (stock code: 904) since 2004, is a leading integrated green food provider in China with headquarters in Xiamen, Fujian province. China Green engages in agricultural cultivation and the processing and distribution of food and beverages. China Green offers a broad agricultural product portfolio, including fresh produce, branded food and beverages, and several types of processed food, to both the domestic and international markets. Aiming to become the number-one multigrain beverage brand, China Green markets its beverage products under “Cu Liang Wang” and “Qing Cai Yuan”, whereas its food products are marketed under the “China Green” name. The Company enjoys a robust distribution channel and its products are widely distributed to the key account channel, regular distribution channel, and to specialty and catering channels in China. For more information, please visit <http://www.chinagreen.com.hk/>.

- FINANCIAL TABLES FOLLOW -

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at October 31, 2011*

	As of October 31, <u>2011</u> RMB'000 (Unaudited)	As of April 30, <u>2010</u> RMB'000 (Audited)
Non-current assets		
Fixed assets		
- Property, plant and equipment	1,844,891	1,631,456
- Interests in leasehold land held for own use under operating leases	288,528	279,286
Long-term prepaid rentals	760,113	783,899
Deposit for acquisition of property, plant and equipment	284,187	132,553
	<u>3,177,719</u>	<u>2,827,194</u>
Current assets		
Inventories	87,490	50,496
Biological assets	131,704	104,749
Current portion of long-term prepaid rentals	41,907	49,321
Trade and other receivable	67,533	58,870
Bank deposits with maturity over 3 months	34,045	64,731
Cash and cash equivalents	1,610,224	1,711,631
	<u>1,972,903</u>	<u>2,039,798</u>
Current liabilities		
Amount due to a director	8,219	8,373
Trade and other payables	134,296	101,857
Income tax payable	25,413	25,498
	<u>167,928</u>	<u>135,728</u>
Net current assets	<u>1,804,975</u>	<u>1,904,070</u>
Total assets less current liabilities	<u>4,982,694</u>	<u>4,731,264</u>
Non-current liabilities		
Convertible bonds	1,284,184	1,315,293
Deferred tax liabilities	83,914	67,153
	<u>1,368,098</u>	<u>1,382,446</u>
Net assets	<u>3,614,596</u>	<u>3,348,818</u>
Capital and reserves		
Share capital	92,236	92,236
Reserves	3,522,360	3,256,582
Total equity attributable to equity shareholders of the company	<u>3,614,596</u>	<u>3,348,818</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended October 31, 2011

	Unaudited	
	Six months ended 31 October	
	<u>2011</u>	<u>2010</u>
	RMB'000	RMB'000
Net cash generated from operating activities	467,734	408,113
Net cash (used in)/generated from investing activities	(458,954)	327,274
Net cash used in financing activities	(107,882)	(1,015,916)
Effect of foreign exchange rate changes	<u>(2,305)</u>	<u>(37,325)</u>
Decrease in cash and cash equivalents	(101,407)	(317,854)
Cash and cash equivalents at 1 May	<u>1,711,631</u>	<u>2,326,516</u>
Cash and cash equivalents at 31 October	<u><u>1,610,224</u></u>	<u><u>2,008,662</u></u>

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