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CHINA YURUN FOOD GROUP LIMITED

中國雨潤食品集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1068)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Reference is made to the announcements of China Yurun Food Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) published in September and November 2011 in relation to the Group’s business operation performance. The board of directors of the Company (the “**Board**”) hereby gives a preliminary report to the shareholders and potential investors of the Company on the Group’s business operation performance for the six months ended 30 June 2012 based on a preliminary draft unaudited management accounts of the Group.

Under the effect of various challenges since the second half of 2011, the market conditions in the first six months of 2012 have remained to be difficult for the Group. Based on the preliminary review of the Group’s draft unaudited management accounts, the results of the Group (including net profit) for the six months ended 30 June 2012 are expected to record substantial decreases compared with the results for the same period in 2011.

Though year 2012 is still expected to be challenging for the Group, with the series of measures adopted by the management, the Board is fully optimistic that the Group’s business would be recovered.

Information contained in this announcement is made after the Board’s preliminary review of the draft unaudited management accounts of the Group and information currently available to the Board and is not based on any figure or information which has been audited or reviewed by the Company’s auditors. The unaudited interim results of the Group for the six months ended 30 June 2012 are expected to be announced in mid August 2012. Such results are in the course of being reviewed and are subject to adjustments. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Yu Zhangli
Chairman

Hong Kong, 9 August 2012

As at the date of this announcement, the executive directors of the Company are Yu Zhangli, Zhu Yiliang, Feng Kuande and Ge Yuqi; the non-executive directors are Jiao Shuge (alias Jiao Zhen), Wang Kaitian and Li Chenghua; the independent non-executive directors are Gao Hui, Qiao Jun and Chen Jianguo.

** For identification purposes only*