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中國農林低碳控股有限公司
China Agroforestry Low-Carbon Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 01069)

PROFIT WARNING

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available and a preliminary review by the Group of its unaudited consolidated management accounts for the six months ended 30 June 2014, the Group expects to record a net loss for the six months ended 30 June 2014, as compared to a net profit for the six months ended 30 June 2013.

The Board believes that the expected loss of the Group was mainly attributable to the reorganisation activity which is expected to be completed in 2014 in order to divest its loss-making garment business and focus on its forestry business and developing its biomass fuel business as its core businesses. For more details and information, please refer to the announcements of the Company dated 30 June 2014 and 23 July 2014 and the circular of the Company dated 13 June 2014. Such reorganisation activity will enable the Group to concentrate its resources on the forestry business as well as biomass fuel business, which may offer greater earnings potential due to the strong support for these industries by the Government of the People’s Republic of China (the “**PRC**”), thereby improving the overall financial performance of the Group. Besides, the Board was of the view that the reasons accounted for the loss of the Group during the six months ended 30 June 2014 as compared to the profit for the corresponding period of last year also included the followings other than the aforementioned reorganisation activity: (i) there was a premium on the acquisition of a subsidiary of approximately RMB43.6 million for the six months ended 30 June 2013 and

there was no similar gain for the six months ended 30 June 2014; and (ii) an increase in administrative expenses and finance costs of the Group for the six months ended 30 June 2014.

The biomass fuel business generated a negligible stream of profit for the six months ended 30 June 2014. Following the policies implemented by the PRC Government categorising biomass fuel as clean energy and the rapid development of the biomass fuel business by the Group, the Board holds the view that the earnings derived from the biomass fuel business will grow tremendously in the near future and the profitability of the Group will improve accordingly.

The information as set out in this announcement is only based on a preliminary assessment by the management of the Company of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and the information currently available to the management of the Company, and therefore is subject to review by the auditors of the Company. Shareholders and potential investors are advised to carefully read the interim results announcement for the six months ended 30 June 2014, which is expected to be published on 29 August 2014.

The information contained in this announcement is only the preliminary assessment made by the Company, and has not been reviewed by its auditors. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of
China Agroforestry Low-Carbon Holdings Limited
Lei Zuliang
Chairman

Shenzhen, the PRC, 25 August 2014

As at the date of this announcement, the executive Directors are Mr. Lei Zuliang and Mr. Long Weihua. The non-executive Directors are Professor Liu Zhikun and Mr. Zhou Xianyan. The independent non-executive Directors are Ms. Tian Guangmei, Mr. Liang Guoxin and Mr. Liu Zhaoxiang.