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CHINA AGRI-INDUSTRIES HOLDINGS LIMITED

中國糧油控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 606)

PROFIT WARNING

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules. The Board wishes to inform the shareholders and potential investors that the Group recorded a loss for the seven months ended 31 July 2014 and expects to be under a loss-making pressure in the second half of 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Agri-Industries Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

The Company has published an interim results announcement for the six months ended 30 June 2014 today. Based on the Group’s unaudited consolidated management accounts for the seven months ended 31 July 2014 (the “**January-July Period**”), the Group recorded a loss attributable to owners of the Company for the January-July Period of around HK\$664,000,000. Given the prevailing market situation, the board of directors of the Company (the “**Board**”) expects that the Group will face a loss-making pressure for the second half of 2014.

The Board considers that the main reasons for the increased loss in the January-July Period, as compared to the first half of the year, is that the cost of soybeans purchased in the first half of 2014 was comparatively high and a subsequent drastic decline in soybean market price in July has resulted in a loss for processing of goods in that month. The aforesaid soybean stockpiles built in the first half of the year will be processed and sold in the second half of 2014. Despite the recent increase in oilseeds supply in the international market, which is expected to bring down input costs and help ease loss-making pressure in the crushing industry on a temporary, seasonal basis, it will still be hard for the Company to pass on higher input costs. An abundant supply of oilseed products in China's domestic market will leave product prices lower than raw material prices. As a result, the Board is of the view that the Group will face a loss-making pressure during the second half of 2014.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the information currently available and the latest management accounts, which has not been reviewed or audited by the Company's auditors.

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
China Agri-Industries Holdings Limited
YUE Guojun
Managing Director

Hong Kong, 27 August 2014

As at the date of this announcement, the Board comprises: Mr. YU Xubo as chairman of the Board and executive director; Mr. YUE Guojun and Mr. SHI Bo as executive directors; Mr. NING Gaoning, Mr. MA Wangjun and Mr. WANG Zhiying as non-executive directors; and Mr. LAM Wai Hon, Ambrose, Mr. Victor YANG and Mr. Patrick Vincent VIZZONE as independent non-executive directors.