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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**", 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 (Chapter 571 of the Laws of Hong Kong) 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 financial year ended 31 December 2014, the Company expects to record a significant loss, as compared to that for the financial year ended 31 December 2013. The significant loss was mainly attributable to (I) the one-off expense incurred in the disposal of the loss-making apparel business under the Group's business reorganization in 2014; (II) no additional gains were generated from the acquisition of other target companies by the Group at comparable considerations during the period, as compared to the previous financial year; and (III) the one-off loss brought by the valuation on the share options granted by the Company.

The Board advised that, with the strong support of the PRC government to forestry business and biomass fuel projects, the Group will concentrate its resources on the forestry business and biomass fuel projects, which offer greater earnings potentials, to improve overall financial performance of the Group. The biomass fuel project of the Group was profitable as of 31 December 2014. Since the policies implemented by the PRC Government have expressly categorised biomass fuel as clean energy and the Group has accelerated the development of its biomass fuel business, the Board considers that earnings derived from the biomass fuel business will grow tremendously in the near future and the profitability of the Group will improve accordingly.

In light of the above, the Board concludes that the significant loss incurred during the period is one-off in nature, and expects the overall financial performance of the Group to improve in the future.

The information set out in this profit warning 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 year ended 31 December 2014, and therefore is subject to finalization and review by the Board and auditor of the Company.

As the Company is still finalizing the unaudited financial statements for the year ended 31 December 2014, which are subject to the review of auditor of the Company, Shareholders and potential investors are advised to carefully read the Group's annual results announcement for the year ended 31 December 2014 to be published by the end of March 2015.

The information contained in this announcement is only based on the preliminary assessment made by the Company, and has not been reviewed by its auditor. Shareholders and potential investors of the Company 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, 13 March 2015

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.