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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)

VOLUNTARY ANNOUNCEMENT CERTAIN MATTERS RELATING TO THE NON-COMPETITION DEED

This announcement is made on a voluntary basis by China Agri-Industries Holdings Limited (the “**Company**”).

References are made to the announcement of the Company dated 31 August 2018 in relation to (among other things) a final and definitive decision not to exercise the option to acquire the Non-exercised Chinatex Retained Interests, and the circular dated 8 October 2018 (the “**Circular**”) in relation to (among other things) the proposed adoption of the Supplemental Deed to amend the Non-competition Deed. Unless otherwise defined herein, terms defined in the Circular shall have the same meanings when used herein.

On 2 November 2018, the Supplemental Deed was approved by the Independent Shareholders at the EGM. The Supplemental Deed provides that, where any Retained Interests are to be disposed of following a decision not to exercise an option to acquire such Retained Interests being made by the Company, the six-month period for disposal of the relevant Retained Interests by COFCO and/or COFCO (HK) under the Non-competition Deed (the “**Disposal Period**”) may be extended with the agreement of the INEDs. Such agreement is subject to COFCO and COFCO (HK) reasonably demonstrating that further time is needed to formally commence such disposal having made all reasonable efforts to proceed with such disposal as soon as practicable from the date of the decision not to exercise the option and, in any event, within such six-month period.

The Board was informed by COFCO recently that in relation to (among other things) Chinatex Dongguan, Chinatex Shenyang, Chinatex Hubei and Chinatex Anhui, which are part of the Retained Interests under the Non-exercised Chinatex Retained Interests (the “**Remaining Retained Interests**”), more time is needed to formally commence the disposal of the Remaining Retained Interests.

On 28 February 2019, based on the information provided by COFCO, the INEDs decided to extend the Disposal Period to 31 August 2019. The decision made by the INEDs was based on the following reasons and considerations:

1. Chinatex Tianjin, Chinatex Shenyang, Chinatex Dongguan, Chinatex Hubei and Chinatex Anhui have already ceased to operate the Competing Business;
2. The court has accepted the bankruptcy application of Chinatex Tianjin which formally commences the bankruptcy process for Chinatex Tianjin;
3. The disposal of state-owned assets involves a complex process, which may include, without limitation, listing the relevant assets on an authorised exchange for auction or the separate disposal of particular assets within any given business. The disposal of the Remaining Retained Interests is subject to ongoing negotiations with third-parties and/or auction process or other means of disposal; and
4. Having considered the efforts made by COFCO for the disposal of the relevant Retained Interests within the six-month period and its need for further time to dispose of the Remaining Retained Interests.

By Order of the Board
China Agri-Industries Holdings Limited
LUAN Richeng
Chairman

Hong Kong, 28 February 2019

As at the date of this announcement, the Board comprises: Mr. LUAN Richeng as chairman of the Board and non-executive director; Mr. WANG Qingrong, Mr. XU Guanghong and Ms. YANG Hong as executive directors; Mr. JIA Peng and Mr. MENG Qingguo as non-executive directors; and Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chye as independent non-executive directors.