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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)

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 announcements of the Company dated 31 August 2018 and 28 February 2019 (the “**Announcements**”) in relation to (among other things) the Non-exercised Chinatex Retained Interests and extending the Disposal Period for the Remaining Retained Interests to 31 August 2019. Unless otherwise defined herein, terms defined in the Announcements shall have the same meanings when used herein.

The Board has been informed by COFCO that in relation to the progress of the disposal for the Remaining Retained Interests, more time is needed to formally dispose of Chinatex Dongguan, Chinatex Hubei and Chinatex Anhui under the Remaining Retained Interests.

Pursuant to the Non-competition Deed, the Disposal Period for disposal of the relevant Retained Interests by COFCO and/or COFCO (HK) 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 six months.

On 28 August 2019, based on the information provided by COFCO, the INEDs decided to further extend the Disposal Period for Chinatex Dongguan, Chinatex Hubei and Chinatex Anhui to 29 February 2020. The decision made by the INEDs was based on the following reasons and considerations:

1. the courts have accepted the bankruptcy application of Chinatex Tianjin and Chinatex Shenyang, respectively, which formally commences their respective bankruptcy process;

2. as disclosed in the announcement of the Company dated 15 May 2019, Chinatex Dongguan entered into an agreement dated 15 May 2019, pursuant to which, Chinatex Dongguan has agreed to gratuitously transfer its entire equity interest in Chinatex Grains and Oils (Zhanjiang) Industries Co., Ltd.* (中紡糧油(湛江)工業有限公司) to Chinatex Grains and Oils Imp & Exp Co., Ltd.* (中紡糧油進出口有限責任公司), the immediate holding company of Chinatex Dongguan. However, Chinatex Dongguan has not yet been disposed of as the disposal plan for Chinatex Dongguan is still under discussion;
3. the relevant assets of Chinatex Hubei and Chinatex Anhui have been listed on authorised exchange for auction, respectively, and so far there have been no interested buyers; and
4. the efforts made by COFCO for the disposal of the Remaining Retained Interests since the extension of the Disposal Period on 28 February 2019, and its need for further time to dispose of Chinatex Dongguan, Chinatex Hubei and Chinatex Anhui.

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

Hong Kong, 28 August 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 Zhen, Mr. XU Guanghong and Ms. HUA Jian 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.