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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)

**ANNOUNCEMENT IN RELATION TO
THE ESTIMATED ANNUAL RESULTS FOR 2019**

Based on the Group's unaudited consolidated management accounts for the year ended 31 December 2019, the Company expects the profit attributable to owners of the Company to range from HK\$1,200 million to HK\$1,240 million, being about 11% to 8% less than that of about HK\$1,346 million for the year ended 31 December 2018.

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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Based on the Group's unaudited consolidated management accounts for the year ended 31 December 2019 (the “**Reporting Year**”), the Company expects the profit attributable to owners of the Company to range from HK\$1,200 million to HK\$1,240 million, being about 11% to 8% less than that of about HK\$1,346 million for the year ended 31 December 2018.

In 2019, changes in trade policies of certain major global economies brought market fluctuations and made it more challenging for the Group to make business decisions. The breeding industry witnessed falling hog stocks mainly due to the impact of African Swine Fever, resulting in a weaker demand for soybean meal and other materials for animal feed. Even though the prices of vegetable oil and oilseed meal rebounded from their lows in the second half of 2019, the average profit margin for the year in respect of domestic oilseeds processing industry narrowed as compared to that in 2018. The Group continued to implement its existing strategies, leveraging its competitive, integrated model and steadily promoting its branded business. As a result, business operations overall stabilised during the period.

As at the date of this announcement, the Company is still in the course of finalising the consolidated annual results for the Reporting Year. The information contained in this announcement is based only on the information currently available and a preliminary assessment with reference to the latest unaudited consolidated management accounts of the Group for the Reporting Year, which are subject to finalisation and other adjustments and have not been reviewed or audited by the Company's auditor.

Reference is made to the joint announcement dated 27 November 2019 (the "**Joint Announcement**") jointly made by the Company, as the offeree company, and COFCO (Hong Kong) Limited (the "**Offeror**"), as the offeror, in relation to the proposal (the "**Proposal**") for the privatisation of the Company by the Offeror by way of scheme of arrangement under Section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Option Offer (as defined in the Joint Announcement).

With the publication of the Joint Announcement, the offer period commenced on 27 November 2019. Pursuant to Rule 10 of the Code on Takeovers and Mergers in Hong Kong (the "**Takeovers Code**"), this announcement constitutes a profit forecast and must be reported on by the Company's financial advisers and auditors, and their reports must be included in the document addressed to the Company's shareholders in connection with the Proposal. Under the Takeovers Code, this announcement must contain a statement that the profit forecast has been reported on in accordance with the Takeovers Code and the reports have been lodged with the Executive (as defined in the Takeovers Code). If a company's profit forecast is published first in an announcement, it must be repeated in full, together with the reports, in the next document to be sent to the shareholders.

Since this announcement is required to be made 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 (which require the Company to issue this announcement as soon as practicable) and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the shareholders of the Company and potential investors of the Company that this announcement does not meet the standard required under Rule 10 of the Takeovers Code. The profit forecast will be reported on in accordance with Rule 10 of the Takeovers Code in the Scheme Document (as defined in the Joint Announcement).

Warning: This announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Proposal and dealing in the securities of the Company.

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

Hong Kong, 14 January 2020

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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.