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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)**

**DECLARATION OF FURTHER INTERIM DIVIDEND**

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On 4 February 2020, the Board resolved to declare the payment to shareholders (the “**Shareholders**”) of China Agri-Industries Holdings Limited (the “**Company**”) a further interim dividend of 4 HK cents per ordinary share in lieu of a final dividend for the year ended 31 December 2019 (the “**Further Interim Dividend**”). The Further Interim Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on a record date (the “**Dividend Record Date**”) to be announced. The Dividend Record Date will be the earlier of (a) the record date for the purpose of determining the entitlements of the Scheme Shareholders (the “**Scheme Record Date**”) under the Scheme and (b) 1 June 2020. The Scheme Record Date will be set out in the Scheme Document to be issued by the Company and COFCO (Hong Kong) Limited (the “**Offeror**”) as contemplated in their joint announcement dated 27 November 2019 (the “**Joint Announcement**”). Accordingly, the Further Interim Dividend will be payable to the Shareholders within a month of the Dividend Record Date. The Further Interim Dividend is not conditional on the Proposal being accepted by Shareholders. Terms as defined in the Joint Announcement shall bear the same meanings herein unless otherwise specified.

It was stated in the Joint Announcement that, as a condition of the Proposal, no dividend or other distribution may be declared, made or paid by the Company to the Shareholders between the Announcement Date and the Effective Date, except with the prior written consent of the Offeror. As the Further Interim Dividend is declared in lieu of a final dividend for the year ended 31 December 2019 and the amount of the Further Interim Dividend is in line with normal dividend payments previously made by the Company, the Offeror has consented to the declaration and payment of the Further Interim Dividend.

## **Tax matters**

The “Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management” was issued by the State Administration of Taxation of PRC (the “**SAT**”) on 22 April 2009 (the “**Notice**”). The implementation of the Notice commenced on 1 January 2008. In 2013, the Company received the SAT approvals which confirmed that (i) the Company is regarded as a Chinese Resident Enterprise; and (ii) relevant enterprise income tax policies shall be applicable to the Company starting from 1 January 2013. Pursuant to the Notice, the “Enterprise Income Tax Law of the People’s Republic of China” (the “**Enterprise Income Tax Law**”) and the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (the “**Implementation Rules**”), the Company is required under the laws of the PRC to withhold and pay enterprise income tax for its non-resident enterprise shareholders to whom the Company pays the Further Interim Dividend. The withholding and payment obligation lies with the Company.

Pursuant to (i) the Notice, (ii) the Enterprise Income Tax Law and the Implementation Rules, and (iii) the SAT approvals, the Company is required to withhold 10% enterprise income tax when it distributes the Further Interim Dividend to its non-resident enterprise shareholders. In respect of all shareholders whose names appear on the Company’s register of members as at the Dividend Record Date who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the Further Interim Dividend after deducting enterprise income tax of 10%. The Company will not withhold and pay the income tax in respect of the Further Interim Dividend payable to any natural person shareholders whose names appear on the Company’s register of members on the Dividend Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) listed on the Company’s register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold the said 10% enterprise income tax, it should lodge with Tricor Progressive Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend that it is entitled before 4:30 p.m. on the last business day before the Dividend Record Date.

Investors should read the above carefully. If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company’s register of members on the Dividend Record Date. The Company assumes no liability whatsoever in respect of, and will not entertain any claims arising from, any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding.

## **CLOSURE OF REGISTER OF MEMBERS**

Further details concerning the Further Interim Dividend, including the closure of the register of members for the purpose of determining entitlement to the Further Interim Dividend and the Dividend Record Date will be announced by the Company separately.

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

Hong Kong, 4 February 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.*