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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that, as the overall operating environment is affected by global financial turmoil, the gross profit of the Company decreased correspondingly. Based on the unpublished unaudited consolidated management accounts of the Group for the six months ended 30 June 2009, the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 June 2009 is expected to decrease significantly by approximately 40% compared to the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 June 2008 announced on 18 September 2008 which represents the Company's strongest first half year profit since its listing. Nonetheless, the Group's profitability in the six months ended 30 June 2009 is in line with the expectation of the Group's management.

Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Agri-Industries Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to announce that, as the overall operating environment is affected by global financial turmoil, the gross profit of the Company decreased correspondingly. Based on the unpublished unaudited consolidated management accounts of the Group for the six months ended 30 June 2009, the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 June 2009 is expected to decrease significantly by approximately 40% compared to the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30

June 2008 announced on 18 September 2008 which represents the Company's strongest first half year profit since its listing. Nonetheless, the Group's profitability in the six months ended 30 June 2009 is in line with the expectation of the Group's management.

The directors of the Company (the "**Directors**") believe the relevant decrease in the profit attributable to equity holders of the Company for the six months ended 30 June 2009 is mainly due to the following factors:

- (i) the significant decrease in gross profit margin in the Company's oilseed processing business for the reason that fall in prices for finished products exceeded the corresponding fall in prices for the relevant raw materials. Nonetheless, the relevant sales volume did not decline compared to the same of the corresponding period of 2008 and the gross profit of the Company's oilseed processing business only came back to a normal level from the extreme high level of 2008; and
- (ii) the significant decrease in the gross profit in the Company's brewing material business compared to the corresponding period of 2008 for the reason that the fall in prices for finished products preceded the corresponding fall in prices for the relevant raw materials.

Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Agri-Industries Holdings Limited
YU Xubo
Managing Director

Hong Kong, 9 August 2009

As at the date of this announcement, the Board comprises: Mr. NING Gaoning as a non-executive director and chairman of the Board, Mr. YU Xubo, Mr. LU Jun and Mr. YUE Guojun as executive directors; Mr. CHI Jingtao and Mr. MA Wangjun as non-executive directors; and Mr. LAM Wai Hon, Ambrose, Mr. Victor YANG and Mr. Patrick Vincent VIZZONE as independent non-executive directors.

This announcement has been issued in the English language with a separate Chinese language translation. If there is any conflict in the announcement between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.