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Yashili International Holdings Ltd

雅士利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01230)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, it is expected that the profit of the Group for the six months ended 30 June 2011 will record a significant decrease as compared to the profit for the six months ended 30 June 2010.

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

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Yashili International Holdings Ltd (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, it is expected that while the revenue of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2011 will record an increase as compared to the revenue for the corresponding period in 2010, the profit of the Group for the six months ended 30 June 2011 will record a decrease by 30% to 40% as compared to the profit for the six months ended 30 June 2010.

To the best knowledge of the Board, the expected decrease of profit of the Group is primarily due to an increase in the Group’s cost of raw materials, which led to a decrease in gross profit margin; increased advertising expense; and an increase in effective tax rate due to the fact that certain tax benefits previously enjoyed by the Group have ended.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2011, which have not yet been confirmed or reviewed by the Company’s auditors or the audit committee of the Company and finalized as at the date

of this announcement. Unaudited consolidated financial information of the Group for the six months ended 30 June 2011 will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2011 in August 2011.

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

By Order of the Board
Yashili International Holdings Ltd
Zhang Lidian
Chairman

Hong Kong, 24 July 2011

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Lidian (Chairman), Mr. Zhang Likun, Mr. Zhang Liming, Mr. Zhang Libo and Mr. Zhang Yanpeng; the non-executive directors of the Company are Mr. Luo Yi and Mr. Zhang Chi; and the independent non-executive directors of the Company are Mr. Yu Shimao, Mr. Chen Yongquan and Mr. Samuel King On Wong.