

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHINA YURUN FOOD GROUP LIMITED**

**中國雨潤食品集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1068)**

### **PROFIT WARNING**

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.

Reference is made to the announcements of China Yurun Food Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) published in September and November 2011 in relation to the Group’s business operation performance. The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the preliminary draft of the Group’s unaudited management accounts for the financial year ended 31 December 2011 is available and the Board hereby preliminarily reports to the shareholders and potential investors of the Company on the Group’s business operation performance for the year 2011.

The business environment in the second half (especially in the fourth quarter) of 2011 became extremely difficult for the Group due to (i) the continual publication of negative media reports in the past few months which had an impact on the reputation of the Group and market confidence in the Group’s products; and (ii) the substantial increase in raw material costs (in particular hog price). The Board believes that the Group has taken all possible methods and measures available in the past few months in order to restore its business and maintain its market shares and to ensure such short-term challenges would not have any far-reaching impact on the Group’s future development. Nevertheless, based on the preliminary review of the Group’s unaudited draft management accounts for the year 2011, the Group’s net profit for the full financial year of 2011 decreased by approximately 38% as compared with that of the year 2010.

Based on the latest unaudited draft management accounts and operating information of the Group currently available to the Board, the condition of the Group's business operation has gradually become stabilized. The Board is confident that the business of the Group will progressively resume to normal.

**Information contained in this announcement is made after the Board's preliminary review of the unaudited draft management accounts of the Group and information currently available to the Board and is not based on any figures or information which has been audited or reviewed by the Company's auditors. The final results of the Group for the year 2011 are expected to be announced in March 2012. Such results are in the course of being audited and are subject to adjustments. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Zhu Yicai**  
*Chairman*

Hong Kong, 10 February 2012

*As at the date of this announcement, the executive directors of the Company are Zhu Yicai, Zhu Yiliang, Feng Kuande, Ge Yuqi and Yu Zhangli; the non-executive directors are Jiao Shuge (alias Jiao Zhen), Wang Kaitian and Li Chenghua; and the independent non-executive directors are Gao Hui, Qiao Jun and Chen Jianguo.*

*\* For identification purposes only*