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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)

Financial Advisor to the Company

Morgan Stanley
Morgan Stanley Asia Limited

**Independent Financial Advisor to the Independent Board Committee
and Independent Shareholders**



CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF SHARES AND ASSETS

SHARE PURCHASE AGREEMENTS

The Board announces that on 17 February 2009, the Company entered into four Share Purchase Agreements with COFCO Hong Kong, namely the Kindgain Share Purchase Agreement, Uptech Investments Share Purchase Agreement, Cheerlink International Share Purchase Agreement and the Parkwing Share Purchase Agreement, pursuant to which the Company has agreed to purchase all issued share capital of Kindgain, Uptech Investments, Cheerlink International and Parkwing.

Upon completion of the COFCO Dongguan Equity Purchase Agreements and the COFCO Feixian Equity Purchase Agreements (which will both take place prior to the completion of the Kindgain Share Purchase Agreement and Uptech Investments Share Purchase Agreement), Kindgain and Uptech Investments will become the holding companies of COFCO Dongguan and COFCO Feixian, respectively. Cheerlink International is the holding company of Yellow Dragon and Parkwing is the holding company of Jilin Packaging.

COFCO Dongguan and COFCO Feixian are principally engaged in oilseeds processing business, mainly the production and sale of soybean oil and related products, and the production and sale of peanut oil and related products, respectively. Yellow Dragon is principally engaged in corn processing business, mainly the production and sale of starch and related biochemical products. Jilin Packaging is principally engaged in the production and sale of packaging materials, and mainly supplies to Yellow Dragon and the Group.

The aggregate consideration of the Share Acquisitions is HK\$972,781,722.27 and shall be satisfied by the issuance and allotment of 263,626,483 Consideration Shares by the Company at an issue price of HK\$3.69 per Consideration Share to COFCO Hong Kong at completion. The Consideration Shares represent approximately 7.3% of the existing issued share capital of the Company and approximately 6.8% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares.

ASSETS PURCHASE AGREEMENT

The Board announces that on 17 February 2009, COFCO Gongzhuling, a subsidiary of the Company, has entered into the Assets Purchase Agreement with Jilin COFCO pursuant to which COFCO Gongzhuling has conditionally agreed to purchase and Jilin COFCO has conditionally agreed to sell the Assets, comprising of the Land, Buildings, Structures and Equipment and Machinery. The consideration of the Assets Acquisition pursuant to the Assets Purchase Agreement is RMB112,789,038.31 (approximately HK\$127,893,229) and shall be satisfied by the Company in cash at completion.

DISCLOSEABLE TRANSACTION

Since the applicable percentage ratios of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement (on an aggregated basis) exceed 5% but are less than 25%, the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement constitute discloseable transaction for the purposes of, and are subject to the reporting and announcement requirements under, Chapter 14 of the Hong Kong Listing Rules.

CONNECTED TRANSACTION

COFCO Hong Kong is a controlling shareholder of the Company and is therefore a connected person of the Company. The transactions contemplated under the Share Purchase Agreements therefore constitute connected transactions of the Company.

Jilin COFCO is a subsidiary of COFCO Hong Kong and is therefore a connected person of the Company. The transactions contemplated under the Assets Purchase Agreement therefore constitute connected transactions of the Company.

Since the applicable percentage ratios of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement (on an aggregated basis) exceed 2.5%, the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

An EGM will be convened and held to consider and, if thought fit, to approve the Share Purchase Agreements, the Assets Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement, letter from the Independent Board Committee and recommendation from the independent financial adviser on the terms of transactions, together with a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

INTRODUCTION

The Board announces that on 17 February 2009:

- (1) the Company entered into the Kindgain Share Purchase Agreement with COFCO Hong Kong pursuant to which the Company conditionally agreed to purchase and COFCO Hong Kong conditionally agreed to sell the entire issued share capital of Kindgain;
- (2) the Company entered into the Uptech Investments Share Purchase Agreement with COFCO Hong Kong pursuant to which the Company conditionally agreed to purchase and COFCO Hong Kong conditionally agreed to sell the entire issued share capital of Uptech Investments;
- (3) the Company entered into the Cheerlink International Share Purchase Agreement with COFCO Hong Kong pursuant to which the Company conditionally agreed to purchase and COFCO Hong Kong conditionally agreed to sell the entire issued share capital of Cheerlink International;
- (4) the Company entered into the Parkwing Share Purchase Agreement with COFCO Hong Kong pursuant to which the Company conditionally agreed to purchase and COFCO Hong Kong conditionally agreed to sell the entire issued share capital of Parkwing; and
- (5) COFCO Gongzhuling, a subsidiary of the Company, entered into the Assets Purchase Agreement with Jilin COFCO pursuant to which COFCO Gongzhuling conditionally agreed to purchase and Jilin COFCO conditionally agreed to sell the Assets.

The aggregate consideration for the Share Acquisitions (including the purchase of shares in Kindgain, Uptech Investments, Cheerlink International and Parkwing) is HK\$972,781,722.27 which will be satisfied by the issuance and allotment of 263,626,483 Consideration Shares by the Company at an issue price of HK\$3.69 per Consideration Share to COFCO Hong Kong at completion. The issue price was fixed at HK\$3.69 which was (1) the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the 10 trading days immediately before the date of this Announcement, namely, from 3 February 2009 to 16 February 2009, and (2) represents a 3.4% premium to the closing price of HK\$3.57 per Share on the date of this Announcement as stated in the daily quotation sheet of the Stock Exchange.

Based on the aggregated unaudited net profit (after tax and extraordinary items) of COFCO Dongguan (excluding inventory provision), COFCO Feixian, Yellow Dragon (excluding the 42.864% minority interest), Jilin Packaging, the Kindgain Group, the Uptech Investments Group, the Cheerlink International Group and the Parkwing Group for the year ended 31 December 2008 of approximately HK\$196,735,897, the price to earnings multiple is approximately 4.9. Based on the aggregated unaudited net asset values of COFCO Dongguan, COFCO Feixian, Yellow Dragon (excluding the 42.864% minority interest), Jilin Packaging, the Kindgain Group, the Uptech Investments Group, the Cheerlink International Group and the Parkwing Group for the year ended 31 December 2008 of approximately HK\$726,422,287 and HK\$619,392,011 (adjusted for the dividend distribution of RMB94,390,000, approximately HK\$107,030,276 declared by COFCO Dongguan on 16 February 2009), the price to book multiples are approximately 1.3 and 1.6 respectively.

The Consideration Shares represent approximately 7.3% of the existing issued share capital of the Company and approximately 6.8% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares.

As of the date of this Announcement, COFCO Hong Kong holds approximately 57.7% of the issued share capital of the Company and is a controlling shareholder of the Company as defined under the Hong Kong Listing Rules. Upon completion of the Share Acquisitions, COFCO Hong Kong's shareholding in the Company will increase from approximately 57.7% to approximately 60.6%.

The consideration of the Assets Acquisition pursuant to the Assets Purchase Agreement is RMB112,789,038.31 (approximately HK\$127,893,229) which will be satisfied by COFCO Gongzhuling in cash at completion.

THE KINDGAIN SHARE PURCHASE AGREEMENT

The major terms of the Kindgain Share Purchase Agreement are as follows:

Date

17 February 2009

Parties

Purchaser: the Company

Vendor: COFCO Hong Kong

Shares to be acquired

Subject to the terms and conditions of the Kindgain Share Purchase Agreement, the Company has conditionally agreed to purchase from COFCO Hong Kong the Kindgain Sale Shares free from any claim, option, charge, lien, equity, encumbrance, rights of pre-emption or any third party rights.

Consideration

The aggregate consideration for the acquisition of the Kindgain Sale Shares is HK\$592,798,843.17 which will be satisfied by the issue and allotment of the Kindgain Consideration Shares (being 160,650,093 Shares) by the Company at an issue price of HK\$3.69 per Kindgain Consideration Share to COFCO Hong Kong at the Kindgain Share Purchase Completion. The issue price was fixed at HK\$3.69 which (1) was the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the 10 trading days immediately before the date of this Announcement, namely, from 3 February 2009 to 16 February 2009, and (2) represents a 3.4% premium to the closing price of HK\$3.57 per Share on the date of this Announcement as stated in the daily quotation sheet of the Stock Exchange.

The Kindgain Consideration Shares represent approximately 4.5% of the existing issued share capital of the Company and approximately 4.2% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Kindgain Consideration Shares.

The consideration was determined by the Company and COFCO Hong Kong following arm's length negotiations by reference to, inter alia, the net asset value and financial information and performance of Kindgain, internal assessment of business and industry outlook, as well as general capital market performance. Based on the aggregated unaudited net profit (after tax and extraordinary items) of COFCO Dongguan (excluding inventory provision) and the Kindgain Group for the year ended 31 December 2008 of approximately HK\$156,616,520, the price to earnings multiple is approximately 3.8. Based on the aggregated unaudited net asset values of COFCO Dongguan and the Kindgain Group for the year ended 31 December 2008 of approximately HK\$371,891,265 and HK\$264,860,989 (adjusted for the dividend distribution of RMB94,390,000, approximately HK\$107,030,276 declared by COFCO Dongguan on 16 February 2009), the price to book multiples are approximately 1.6 and 2.2 respectively.

Conditions precedent

The Kindgain Share Purchase Agreement is conditional upon, among other things:

- (1) completion of the COFCO Hong Kong Kindgain Share Purchase Agreement pursuant to the terms therein;
- (2) completion of the COFCO Dongguan Equity Purchase Agreements pursuant to the terms therein;
- (3) the passing of all necessary resolutions, on a poll where necessary, by the shareholders (where required by the Stock Exchange, the shareholders considered under the Hong Kong Listing Rules to be independent shareholders) of the Company at a general meeting to approve the Kindgain Share Purchase Agreement and to authorise the allotment and issue of the Kindgain Consideration Shares to COFCO Hong Kong upon the Kindgain Share Purchase Completion, and the compliance by the Company of all announcement, shareholders' approval and other requirements under the Hong Kong Listing Rules or otherwise of the Stock Exchange in relation to the transactions contemplated under the Kindgain Share Purchase Agreement;

- (4) the granting by the Listing Committee of the Stock Exchange of a listing of, and permission to deal in, the Kindgain Consideration Shares to be issued by the Company upon the Kindgain Share Purchase Completion;
- (5) the warranties remaining true and accurate and not misleading in any material respect as at the date of the Kindgain Share Purchase Agreement and at the Kindgain Share Purchase Completion;
- (6) (where appropriate) the full and effective release of all charges, mortgages, pledges, liens, encumbrances and other security of whatever nature over or in respect of the Kindgain Sale Shares; and
- (7) if so required, the consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Kindgain Share Purchase Agreement required by the parties having been obtained from appropriate governments, governmental, supranational or trade agencies, courts, stock exchange, listing authority or other regulatory bodies and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

Completion

Conditions (1), (2), (3) and (4) cannot be waived by the parties. Pursuant to the Kindgain Share Purchase Agreement, the Kindgain Share Purchase Completion shall take place on the fifth business day following the fulfilment (or valid waiver) of the conditions or at such other time as the parties shall agree.

Financial effects

If the Kindgain Share Acquisitions had occurred in 2008 and taking into account other factors, the unaudited consolidated net asset value of the Company as at 31 December 2008 would be increased by approximately HK\$371,891,265 before settlement in shares and the unaudited consolidated profits of the Company for 2008 would be increased by approximately HK\$51,614,728 (inclusive of inventory provision) or approximately HK\$156,616,520 (exclusive of inventory provision).

THE UPTECH INVESTMENTS SHARE PURCHASE AGREEMENT

The major terms of the Uptech Investments Share Purchase Agreement are as follows:

Date

17 February 2009

Parties

Purchaser: the Company

Vendor: COFCO Hong Kong

Shares to be acquired

Subject to the terms and conditions of the Uptech Investments Share Purchase Agreement, the Company has conditionally agreed to purchase from COFCO Hong Kong the Uptech Investments Sale Shares free from any claim, option, charge, lien, equity, encumbrance, rights of pre-emption or any third party rights.

Consideration

The aggregate consideration for the acquisition of the Uptech Investments Sale Shares is HK\$55,770,567.75 which will be satisfied by the issue and allotment of the Uptech Investments Consideration Shares (being 15,113,975 Shares) by the Company at an issue price of HK\$3.69 per Uptech Investments Consideration Share to COFCO Hong Kong at the Uptech Investments Share Purchase Completion. The issue price was fixed at HK\$3.69 which (1) was the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the 10 trading days immediately before the date of this Announcement, namely, from 3 February 2009 to 16 February 2009, and (2) represents a 3.4% premium to the closing price of HK\$3.57 per Share on the date of this Announcement as stated in the daily quotation sheet of the Stock Exchange.

The Uptech Investments Consideration Shares represent approximately 0.4% of the existing issued share capital of the Company and approximately 0.4% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Uptech Investments Consideration Shares.

The consideration was determined by the Company and COFCO Hong Kong following arm's length negotiations by reference to, inter alia, the net asset value and financial information and performance of Uptech Investments, internal assessment of business and industry outlook, as well as general capital market performance. Based on the aggregated unaudited net profit (after tax and extraordinary items) of COFCO Feixian and the Uptech Investments Group for the year ended 31 December 2008 of approximately HK\$8,135,649, the price to earnings multiple is approximately 6.9. Based on the aggregated unaudited net asset value of COFCO Feixian and the Uptech Investments Group for the year ended 31 December 2008 of approximately HK\$34,605,050, the price to book multiple is approximately 1.6.

Conditions precedent

The Uptech Investments Share Purchase Agreement is conditional upon, among other things:

- (1) completion of the COFCO Hong Kong Uptech Investments Share Purchase Agreement pursuant to the terms therein;
- (2) completion of the COFCO Feixian Equity Purchase Agreements pursuant to the terms therein;
- (3) the passing of all necessary resolutions, on a poll where necessary, by the shareholders (where required by the Stock Exchange, the shareholders considered under the Hong Kong Listing Rules to be independent shareholders) of the Company at a general meeting to approve the Uptech Investments Share Purchase Agreement and to authorise the allotment and issue of the Uptech Investments Consideration Shares to COFCO Hong Kong upon the Uptech Investments Share Purchase Completion, and the compliance by the Company of all announcement, shareholders' approval and other requirements under the Hong Kong Listing Rules or otherwise of the Stock Exchange in relation to the transactions contemplated under the Uptech Investments Share Purchase Agreement;
- (4) the granting by the Listing Committee of the Stock Exchange of a listing of, and permission to deal in, the Uptech Investments Consideration Shares to be issued by the Company upon the Uptech Investments Share Purchase Completion;
- (5) the warranties remaining true and accurate and not misleading in any material respect as at the date of the Uptech Investments Share Purchase Agreement and at the Uptech Investments Share Purchase Completion;
- (6) (where appropriate) the full and effective release of all charges, mortgages, pledges, liens, encumbrances and other security of whatever nature over or in respect of the Uptech Investments Sale Shares; and
- (7) if so required, the consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Uptech Investments Share Purchase Agreement required by the parties having been obtained from appropriate governments, governmental, supranational or trade agencies, courts, stock exchange, listing authority or other regulatory bodies and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

Completion

Conditions (1), (2), (3) and (4) cannot be waived by the parties. Pursuant to the Uptech Investments Share Purchase Agreement, the Uptech Investments Share Purchase Completion shall take place on the fifth business day following the fulfilment (or valid waiver) of the conditions or at such other time as the parties shall agree.

Financial effects

If the Uptech Investments Share Acquisitions had occurred in 2008 and taking into account other factors, the unaudited consolidated net asset value of the Company as at 31 December 2008 would be increased by approximately HK\$34,605,050 before settlement in shares and the unaudited consolidated profits of the Company for 2008 would be increased by approximately HK\$8,135,649.

THE CHEERLINK INTERNATIONAL SHARE PURCHASE AGREEMENT

The major terms of the Cheerlink International Share Purchase Agreement are as follows:

Date

17 February 2009

Parties

Purchaser: the Company

Vendor: COFCO Hong Kong

Shares to be acquired

Subject to the terms and conditions of the Cheerlink International Share Purchase Agreement, the Company has conditionally agreed to purchase from COFCO Hong Kong the Cheerlink International Sale Shares free from any claim, option, charge, lien, equity, encumbrance, rights of pre-emption or any third party rights.

Consideration

The aggregate consideration for the acquisition of the Cheerlink International Sale Shares is HK\$271,175,683.05 which will be satisfied by the issue and allotment of the Cheerlink International Consideration Shares (being 73,489,345 Shares) by the Company at an issue price of HK\$3.69 per Cheerlink International Consideration Share to COFCO Hong Kong at the Cheerlink International Share Purchase Completion. The issue price was fixed at HK\$3.69 which (1) was the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the 10 trading days immediately before the date of this Announcement, namely, from 3 February 2009 to 16 February 2009, and (2) represents a 3.4% premium to the closing price of HK\$3.57 per Share on the date of this Announcement as stated in the daily quotation sheet of the Stock Exchange.

The Cheerlink International Consideration Shares represent approximately 2.0% of the existing issued share capital of the Company and approximately 1.9% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Cheerlink International Consideration Shares.

The consideration was determined by the Company and COFCO Hong Kong following arm's length negotiations by reference to, inter alia, the net asset value and financial information and performance of Cheerlink International, internal assessment of business and industry outlook, as well as general capital market performance. Based on the aggregated unaudited net profit (after tax and extraordinary items) of Yellow Dragon (excluding the 42.864% minority interest) and the Cheerlink International Group for the year ended 31 December 2008 of approximately HK\$27,205,654, the price to earnings multiple is approximately 10.0. Based on the aggregated unaudited net asset value of Yellow Dragon (excluding the 42.864% minority interest) and the Cheerlink International Group for the year ended 31 December 2008 of approximately HK\$266,067,857, the price to book multiple is approximately 1.0.

Conditions precedent

The Cheerlink International Share Purchase Agreement is conditional upon, among other things:

- (1) the passing of all necessary resolutions, on a poll where necessary, by the shareholders (where required by the Stock Exchange, the shareholders considered under the Hong Kong Listing Rules to be independent shareholders) of the Company at a general meeting to approve the Cheerlink International Share Purchase Agreement and to authorise the allotment and issue of the Cheerlink International Consideration Shares to COFCO Hong Kong upon the Cheerlink International Share Purchase Completion, and the compliance by the Company of all announcement, shareholders' approval and other requirements under the Hong Kong Listing Rules or otherwise of the Stock Exchange in relation to the transactions contemplated under the Cheerlink International Share Purchase Agreement;
- (2) the granting by the Listing Committee of the Stock Exchange of a listing of, and permission to deal in, the Cheerlink International Consideration Shares to be issued by the Company upon the Cheerlink International Share Purchase Completion;
- (3) the warranties remaining true and accurate and not misleading in any material respect as at the date of the Cheerlink International Share Purchase Agreement and at the Cheerlink International Share Purchase Completion;
- (4) (where appropriate) the full and effective release of all charges, mortgages, pledges, liens, encumbrances and other security of whatever nature over or in respect of the Cheerlink International Sale Shares; and
- (5) if so required, the consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Cheerlink International Share Purchase Agreement required by the parties having been obtained from appropriate governments, governmental, supranational or trade agencies, courts, stock exchange, listing authority or other regulatory bodies and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

Completion

Conditions (1) and (2) cannot be waived by the parties. Pursuant to the Cheerlink International Share Purchase Agreement, the Cheerlink International Share Purchase Completion shall take place on the fifth business day following the fulfilment (or valid waiver) of the conditions or at such other time as the parties shall agree.

Financial effects

If the Cheerlink International Share Acquisitions had occurred in 2008 and taking into account other factors, the unaudited consolidated net asset value of the Company as at 31 December 2008 would be increased by approximately HK\$266,067,857 before settlement in shares and the unaudited consolidated profits of the Company for 2008 would be increased by approximately HK\$27,205,654.

THE PARKWING SHARE PURCHASE AGREEMENT

The major terms of the Parkwing Share Purchase Agreement are as follows:

Date

17 February 2009

Parties

Purchaser: the Company

Vendor: COFCO Hong Kong

Shares to be acquired

Subject to the terms and conditions of the Parkwing Share Purchase Agreement, the Company has conditionally agreed to purchase from COFCO Hong Kong the Parkwing Sale Shares free from any claim, option, charge, lien, equity, encumbrance, rights of pre-emption or any third party rights.

Consideration

The aggregate consideration for the acquisition of the Parkwing Sale Shares is HK\$53,036,628.30 which will be satisfied by the issue and allotment of the Parkwing Consideration Shares (being 14,373,070 Shares) by the Company at an issue price of HK\$3.69 per Parkwing Consideration Share to COFCO Hong Kong at the Parkwing Share Purchase Completion. The issue price was fixed at HK\$3.69 which (1) was the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the 10 trading days immediately before the date of this Announcement, namely, from 3 February 2009 to 16 February 2009, and (2) represents a 3.4% premium to the closing price of HK\$3.57 per Share on the date of this Announcement as stated in the daily quotation sheet of the Stock Exchange.

The Parkwing Consideration Shares represent approximately 0.4% of the existing issued share capital of the Company and approximately 0.4% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Parkwing Consideration Shares.

The consideration was determined by the Company and COFCO Hong Kong following arm's length negotiations by reference to, inter alia, the net asset value and financial information and performance of Parkwing, internal assessment of business and industry outlook, as well as general capital market performance. Based on the aggregated unaudited net profit (after tax and extraordinary items) of Jilin Packaging and the Parkwing Group for the year ended 31 December 2008 of approximately HK\$4,778,074, the price to earnings multiple is approximately 11.1. Based on the aggregated unaudited net asset value of Jilin Packaging and the Parkwing Group for the year ended 31 December 2008 of approximately HK\$53,858,115, the price to book multiple is approximately 1.0.

Conditions precedent

The Parkwing Share Purchase Agreement is conditional upon, among other things:

- (1) the passing of all necessary resolutions, on a poll where necessary, by the shareholders (where required by the Stock Exchange, the shareholders considered under the Hong Kong Listing Rules to be independent shareholders) of the Company at a general meeting to approve the Parkwing Share Purchase Agreement and to authorise the allotment and issue of the Parkwing Consideration Shares to COFCO Hong Kong upon the Parkwing Share Purchase Completion, and the compliance by the Company of all announcement, shareholders' approval and other requirements under the Hong Kong Listing Rules or otherwise of the Stock Exchange in relation to the transactions contemplated under the Parkwing Share Purchase Agreement;
- (2) the granting by the Listing Committee of the Stock Exchange of a listing of, and permission to deal in, the Parkwing Consideration Shares to be issued by the Company upon the Parkwing Share Purchase Completion;
- (3) the warranties remaining true and accurate and not misleading in any material respect as at the date of the Parkwing Share Purchase Agreement and at the Parkwing Share Purchase Completion;
- (4) (where appropriate) the full and effective release of all charges, mortgages, pledges, liens, encumbrances and other security of whatever nature over or in respect of the Parkwing Sale Shares; and
- (5) if so required, the consents, licences, authorisations, orders, grants, confirmations, permissions, registrations, filings and other approvals necessary or desirable in connection with the implementation of the Parkwing Share Purchase Agreement required by the parties having been obtained from appropriate governments, governmental, supranational or trade agencies, courts, stock exchange, listing authority or other regulatory bodies and such consents, licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

Completion

Conditions (1) and (2) cannot be waived by the parties. Pursuant to the Parkwing Share Purchase Agreement, the Parkwing Share Purchase Completion shall take place on the fifth business day following the fulfilment (or valid waiver) of the conditions or at such other time as the parties shall agree.

Financial effects

If the Parkwing Share Acquisitions had occurred in 2008 and taking into account other factors, the unaudited consolidated net asset value of the Company as at 31 December 2008 would be increased by approximately HK\$53,858,115 before settlement in shares and the unaudited consolidated profits of the Company for 2008 would be increased by approximately HK\$4,778,074.

THE ASSETS PURCHASE AGREEMENT

The major terms of the Assets Purchase Agreement are as follows:

Date

17 February 2009

Parties

Purchaser: COFCO Gongzhuling, a subsidiary of the Company

Vendor: Jilin COFCO

Assets to be acquired

Subject to the terms and conditions of the Assets Purchase Agreement, COFCO Gongzhuling has conditionally agreed to purchase from Jilin COFCO the Assets, comprising of the Land, Buildings, Structures and Equipment and Machinery, free from charges, encumbrances and third party rights.

Details of the Assets are set out as follows:

Land

- (a) the land use rights in respect of a piece of land with an area of 267,512 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 30 June 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380549;
- (b) the land use rights in respect of a piece of land with an area of 45,936 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 30 June 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380550;

- (c) the land use rights in respect of a piece of land with an area of 21,018 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 27 August 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380551;
- (d) the land use rights in respect of a piece of land with an area of 15,544 square meters located at Gongzhu East Street, Gongzhuling Municipal, for a period of 50 years until 31 December 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380552; and
- (e) the land use rights in respect of a piece of land with an area of 3,450 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 31 December 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380553.

Buildings

- (a) the pre-purification tower with a gross floor area of 750.57 square meters, located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong (Si) 0050888;
- (b) the transformer room, control room and boiler room with a total gross floor area of 622.2 square meters located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050889;
- (c) the pre-purification tower with a gross floor area of 714.71 square meters located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050890; and
- (d) the switching station with a gross floor area of 29.15 square meters located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050891.

Structures

- (a) the fences and gates completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (b) the underground channels and pits for grain discharge completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (c) the steel tipper and steel screen completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;

- (d) the hard floor completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (e) the enhanced hard floor completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (f) the corn-discharging channel completed in December 2005 that are located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550; and
- (g) the assembling steel base for warehouse completed in December 2005 that are located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550.

Equipment and Machinery

The equipment, machinery and other assets set out in the Equipment and Machinery Valuation Report including silos, pre-drying silo, post-drying silo, belt conveyors, bucket elevators, drying tower, cyclone dust collector, hot blast furnaces, induced draft fans, drum sieve, scraper conveyors, screw type air compressor, air dryer, oil filters, dust filters, blowers, air receiver, impulse type dust collectors, truck scale, instrument control panel, in-line water detector and electrical distribution system, and other associated equipment including office equipment and computers, a detail list of which is included in the Equipment and Machinery Valuation Report.

Consideration

The aggregate consideration for the acquisition of the Assets is RMB112,789,038.31 (approximately HK\$127,893,229) and shall be satisfied by COFCO Gongzhuling in cash.

Valuation

The consideration was determined by COFCO Gongzhuling and Jilin COFCO following arm's length negotiations by reference to, inter alia, the appraised value of the Assets of RMB112,789,038.31 (approximately HK\$127,893,229) as at the Valuation Date. The Land was valued by reference to comparables as available in the market, the Buildings and Structures were valued on depreciated replacement costs basis and the Equipment and Machinery were valued using cost approach and transaction approach, with more emphasis being placed on the cost approach. Such appraisal was prepared by the Valuer, Savills Valuation and Professional Services Limited, an independent firm of valuers qualified in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Valuer is a third party independent of the Group and its connected persons. The full text of the Valuation Reports will be contained in the circular to be dispatched to Shareholders.

Unaudited book value of the Assets

The Company was informed by Jilin COFCO that the book value of the Assets as at 31 December 2008 as shown in the unaudited financial accounts of Jilin COFCO for the year ended 31 December 2008 are as follows:

	As at 31 December 2008	
	<i>(RMB)</i>	<i>(approximately HK\$)</i>
Land	53,917,415	61,137,788
Buildings	2,320,077	2,630,771
Structures	4,328,283	4,907,907
Equipment and Machinery	33,746,299	38,265,448

Conditions precedent

The Assets Purchase Agreement is conditional upon, among other things:

- (1) (where required) the obtaining of all governmental approvals on the Assets transfer; and
- (2) the passing of resolutions by way of poll by the Independent Shareholders of the Company approving, at an extraordinary general meeting, the Assets Purchase Agreement and the transactions contemplated under the Assets Purchase Agreement, and the compliance by the Company of all announcement, shareholders' approval and other requirements under the Hong Kong Listing Rules or otherwise of the Stock Exchange in relation to the transactions contemplated under the Assets Purchase Agreement.

Completion

Pursuant to the Assets Purchase Agreement, the Assets Purchase Completion shall take place on the 120th business day following the fulfilment of the conditions or at such other time as the parties shall agree.

Financial effects

If the Assets Acquisition occurred in 2008 and taking into account other factors, upon completion of the same transaction, there will be no change to the unaudited consolidated net asset value of the Company as at 31 December 2008.

HONG KONG LISTING RULES IMPLICATIONS

Discloseable transaction

Since the applicable percentage ratios of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement (on an aggregated basis) exceed 5% but are less than 25%, these transactions constitute a discloseable transaction for the purposes of, and are subject to the reporting and announcement requirements under, Chapter 14 of the Hong Kong Listing Rules.

Connected transaction

COFCO Hong Kong is a controlling shareholder of the Company and is therefore a connected person of the Company. The transactions contemplated under the Share Purchase Agreements therefore constitute connected transactions of the Company.

Jilin COFCO is a subsidiary of COFCO Hong Kong and is therefore a connected person of the Company. The transactions contemplated under the Assets Purchase Agreement therefore constitute connected transactions of the Company.

Since the applicable percentage ratios of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement (on an aggregated basis) exceed 2.5%, these transactions are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is no other transaction entered into between the Group and the COFCO Hong Kong Group within a 12-month period from the date of this announcement or otherwise related, which would, together with transactions under the Share Purchase Agreements and the Assets Purchase Agreement, be regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Hong Kong Listing Rules.

REASONS FOR ENTERING INTO THE SHARE PURCHASE AGREEMENTS AND THE ASSETS PURCHASE AGREEMENT

The Company intends to position itself as a single platform for all agricultural processing businesses of the COFCO group. In line with and as part of its future expansion strategy, the Company therefore intends to gradually acquire agricultural processing related businesses and assets from COFCO at appropriate times.

The Board is of the view that the Share Acquisitions will enable the Group to further develop its business in oilseed processing and biochemical businesses and enhances the Group's position as China's leading producer and supplier of processed agricultural products. The Share Acquisitions will increase the production capacity of the Group, expand its geographic footprint and broaden the Group's revenue base.

The Directors believe that the integration of the businesses operated by the Target Groups into the Group's existing operational platform will also generate synergies by means of centralized purchasing, combining sales forces, and reducing administrative and marketing costs. COFCO Dongguan's strong footprint in Guangdong province will complement the Company's existing customer base and provides the Company greater reach to customers in Southern China. Located in Shandong province with key peanut production base, COFCO Feixian enjoys convenient access to major transportation networks as well as relatively low raw material costs. After completion of the Uptech Investments Share Acquisitions, COFCO Feixian will be a major peanut oil production subsidiary in the Group. Located in Jilin province, Yellow Dragon is one of the largest corn processing plants in China and will not only increase the Company's corn processing capacity but also complete the operation base of the Company's biochemical business. Jilin Packaging is principally engaged in the production and sale of packaging materials, and mainly supplies to Yellow Dragon and the Group.

If the Share Acquisitions had occurred in 2008 and taking into account other factors, the unaudited consolidated net asset value of the Company as at 31 December 2008 would be increased by approximately HK\$726,422,287 before settlement in shares and the unaudited consolidated profits of the Company for 2008 would be increased by approximately HK\$91,734,105 (inclusive of inventory provision for COFCO Dongguan) or approximately HK\$196,735,897 (exclusive of inventory provision for COFCO Dongguan).

Further, the Board is of the view that the Assets Acquisition will allow COFCO Gongzhuling to enhance its business and to complement its production procedures. The Board considers that the Assets Acquisition is in line with the development strategies of the Group as a whole. The Board believes that the Assets Acquisition would enable the Group to further leverage on its economy of scale, enhance its competitiveness, bring new development opportunities and strengthen the ability to generate yield to Shareholders.

If the Assets Acquisition occurred in 2008 and taking into account other factors, upon completion of the same transaction, there will be no change to the unaudited consolidated net asset value of the Company as at 31 December 2008.

In light of the foregoing, the Directors (apart from the independent non-executive Directors who have deferred their views until after considering the opinion of the independent financial adviser) consider that the terms of the Share Purchase Agreements and the Assets Purchase Agreement are on normal commercial terms, fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING

The effects of the Share Acquisitions on the shareholding of the Company upon completion of the Share Acquisitions are shown as follows:—

	Shareholding as of the date of this announcement		Shareholding upon completion of the Share Acquisitions	
	<i>Number of Shares</i>	<i>Percentage (%)</i>	<i>Number of Shares</i>	<i>Percentage (%)</i>
COFCO Hong Kong	2,072,688,331	57.67%	2,336,314,814	60.57%
Other Shareholders	<u>1,521,218,025</u>	<u>42.33%</u>	<u>1,521,218,025</u>	<u>39.43%</u>
Total:	<u>3,593,906,356</u>	<u>100%</u>	<u>3,857,532,839</u>	<u>100%</u>

To the best of the Directors' knowledge, information and belief, the Company has always complied with and will continue to comply with the public float requirement under Rule 8.08 of the Hong Kong Listing Rules after completion of the Share Acquisitions.

INFORMATION ON THE PARTIES

The Group

The Group is a leading producer and supplier of processed agricultural products in the PRC. It offers a diverse range of products to its customers in and outside the PRC and it enjoys market leading positions in the majority of its businesses in the PRC including biofuel and biochemical, oilseed processing, rice trading and processing, brewing materials and wheat processing.

COFCO Gongzhuling is a limited liability company incorporated under the laws of the PRC and is a wholly-owned subsidiary of the Company. COFCO Gongzhuling is principally engaged in the business of manufacturing and sales of processed products which use corn as raw materials, such as starch, glucose, spray dry products, modified starch, corn oil, sorbitol etc, and side-line products such as corn fibre feed, corn gluten meal, and also food storage industry, logistics, packaging, as well as technology development and information consultation of related industry.

COFCO Hong Kong

COFCO Hong Kong is a direct, wholly-owned subsidiary of COFCO and is an investment holding company. COFCO is a state-owned company in the PRC with business interest in agricultural commodities trading, agricultural products processing, food and beverages, hotel management, real estate development, logistics, native produce and animal by-products, packaging products and financial services.

Jilin COFCO

Jilin COFCO is a limited liability company incorporated under the laws of the PRC and is a wholly-owned subsidiary of COFCO Hong Kong. As of the date of this Announcement, Jilin COFCO is principally engaged in the business of food processing, deep processing on raw materials such as corn and other agricultural and side-line products, storage industry, related industry technology development, and information consultation.

The Kindgain Group

Business

Kindgain was incorporated as a limited liability company on 2 July 2008 under the laws of the British Virgin Islands and is currently 100% owned by Gredit Industry Limited. COFCO Hong Kong on 12 February 2009 entered into the COFCO Hong Kong Kindgain Share Purchase Agreement with Gredit Industry Limited pursuant to which COFCO Hong Kong agreed to purchase all the issued shares of Kindgain for HK\$592,798,843.17. Kindgain is an investment holding company.

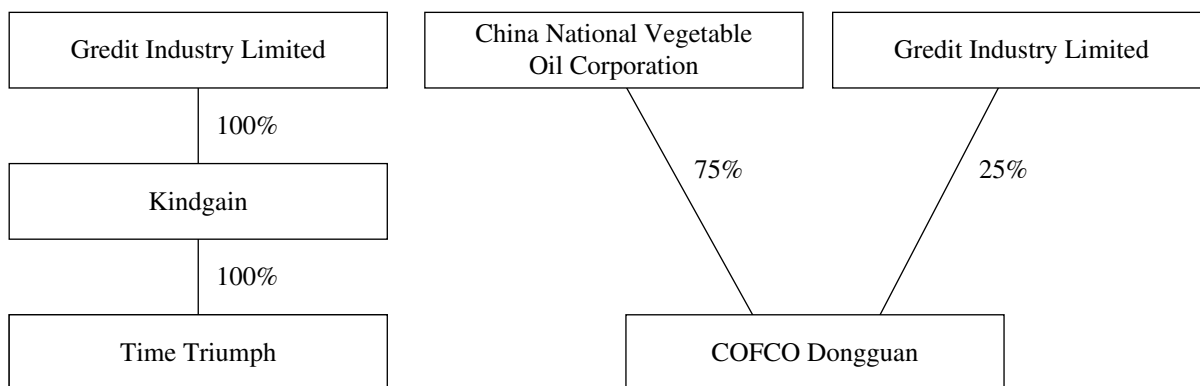
Time Triumph is a limited liability company incorporated under the laws of Hong Kong on 22 May 2008 and is a wholly-owned subsidiary of Kindgain. Time Triumph is an investment holding company.

COFCO Dongguan is a limited liability company incorporated under the laws of the PRC and is currently owned as to 75% and 25% by China National Vegetable Oil Corporation and Gredit Industry Limited, respectively. Time Triumph on 28 August 2008, entered into the COFCO Dongguan Equity Purchase Agreements with China National Vegetable Oil Corporation and Gredit Industry Limited pursuant to which Time Triumph agreed to purchase all 100% equity interest in COFCO Dongguan. COFCO Dongguan is principally engaged in the manufacturing and sales of edible soybean oil, palm oil and other vegetable oils and the development and manufacturing of soybean meal, with daily soybean crushing capacity of 2,000 tons.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China National Vegetable Oil Corporation and Gredit Industry Limited and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

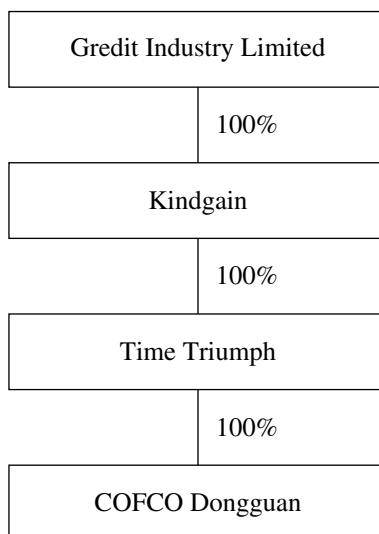
Shareholding structure

As of the date of this Announcement, the shareholding structure of the Kindgain Group is as follows:–

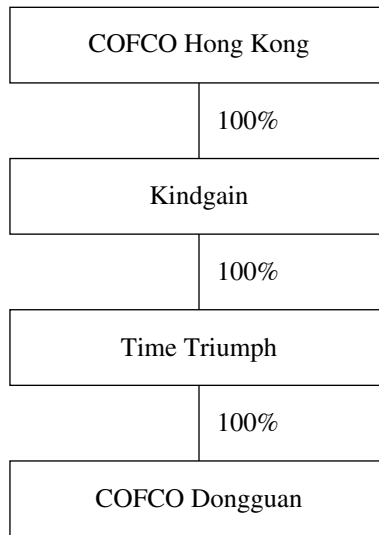


Pursuant to the COFCO Dongguan Equity Purchase Agreements, Time Triumph has agreed to purchase 75% and 25% equity interest in COFCO Dongguan from China National Vegetable Oil Corporation and Gredit Industry Limited for the consideration of RMB397,134,500 (approximately HK\$436,795,535) and RMB132,378,150 (approximately HK\$145,598,493) respectively.

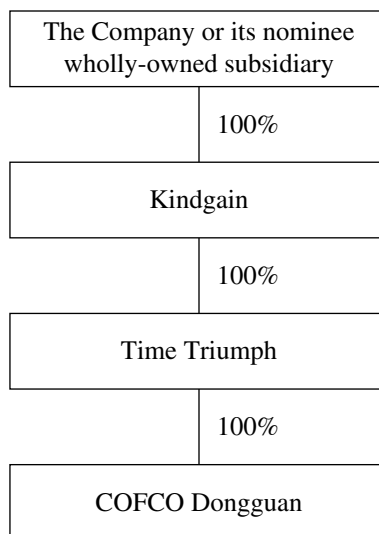
Upon completion of the COFCO Dongguan Equity Purchase Agreements, the shareholding structure of the Kindgain Group will be as follows:–



Upon completion of the COFCO Dongguan Equity Purchase Agreements and the COFCO Hong Kong Kindgain Share Purchase Agreement, the shareholding structure of the Kindgain Group will be as follows:–



Upon completion of the COFCO Dongguan Equity Purchase Agreements, the COFCO Hong Kong Kindgain Share Purchase Agreement and the Kindgain Share Purchase Agreement, the shareholding structure of the Kindgain Group will be as follows:–



Financial information

The following table sets out certain financial information of the Kindgain Group including:

- (1) the unaudited consolidated total assets, total liabilities and net asset value as at 31 December 2008 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period ended 31 December 2008 of the Kindgain Group (comprising only Kindgain and Time Triumph);
- (2) the audited net asset value as at 31 December 2006 and 31 December 2007 and audited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2006 and 31 December 2007 of COFCO Dongguan;
- (3) the unaudited net asset value as at 31 December 2008 and unaudited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2008 of COFCO Dongguan.

Kindgain Group (comprising only Kindgain and Time Triumph)

	As at 31 December 2008 (HK\$)
Unaudited consolidated total assets	0
Unaudited consolidated total liabilities	9,214
Unaudited consolidated net asset value	(9,214)
	For the period ended 31 December 2008 (HK\$)
Unaudited consolidated net profit (before taxation and extraordinary items)	(9,222)
Unaudited consolidated net profit (after taxation and extraordinary items)	(9,222)

COFCO Dongguan^{Note}

	As at 31 December 2006 (RMB)	As at 31 December 2007 (RMB)
Audited net asset value	252,208,516 (approximately HK\$251,378,965)	397,945,596 (approximately HK\$424,973,938)

	For the year ended 31 December 2006 (RMB)	For the year ended 31 December 2007 (RMB)
Audited net profit (before taxation and extraordinary items)	59,815,389 (approximately HK\$58,288,237)	151,187,465 (approximately HK\$155,783,065)
Audited net profit (after taxation and extraordinary items)	53,980,904 (approximately HK\$52,602,713)	145,597,144 (approximately HK\$150,022,817)
	As at 31 December 2008 (RMB)	
Unaudited net asset value		327,979,033 (approximately HK\$371,900,480)
		For the year ended 31 December 2008 (RMB)
Unaudited net profit (before taxation and extraordinary items)*		62,581,994 (approximately HK\$68,831,934)
Unaudited net profit (after taxation and extraordinary items)*		46,936,496 (approximately HK\$51,623,951)

* On 16 February 2009, COFCO Dongguan declared distribution of dividend of RMB94,390,000 (approximately HK\$107,030,276) to its shareholders, namely China National Vegetable Oil Corporation and Gredit Industry Limited.

* Includes inventory provision amounting to RMB95,467,629 (approximately HK\$105,001,792), due to inventory fair value reduction

Note: Prepared in accordance with the China Accounting Standards for Business Enterprises and applicable accounting standards of the PRC

The Uptech Investments Group

Business

Uptech Investments was incorporated as a limited liability company on 8 July 2008 under the laws of the British Virgin Islands and is currently 100% owned by Gredit Industry Limited. COFCO Hong Kong has, on 12 February 2009, entered into the COFCO Hong Kong Uptech Investments Share Purchase Agreement with Gredit Industry Limited pursuant to which COFCO Hong Kong agreed to purchase all issued shares of Uptech Investments for HK\$55,770,567.75. Uptech Investments is an investment holding company.

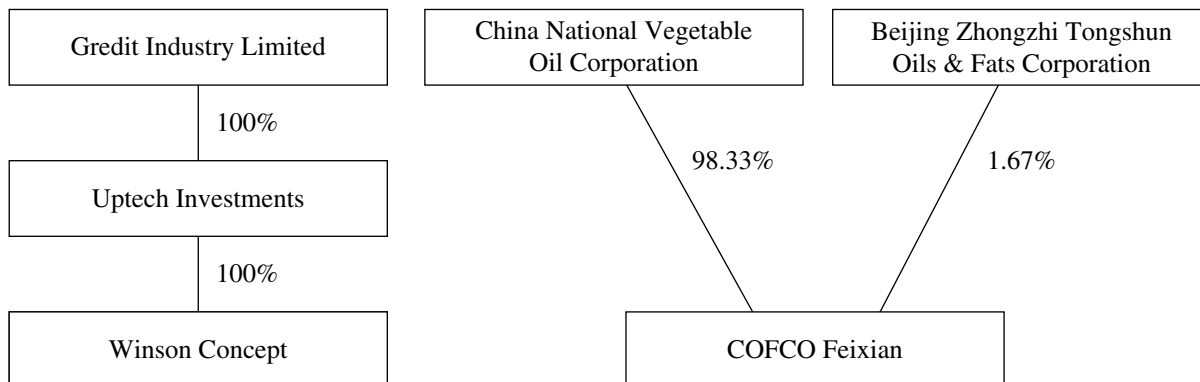
Winson Concept is a limited liability company incorporated under the laws of Hong Kong on 19 May 2008 and is a wholly-owned subsidiary of Uptech Investments. Winson Concept is an investment holding company.

COFCO Feixian is a limited liability company incorporated under the laws of the PRC and is owned as to 98.33% and 1.67% by China National Vegetable Oil Corporation and Beijing Zhongzhi Tongshun Oils & Fats Corporation, respectively. Winson Concept on 28 August 2008, entered into the COFCO Feixian Equity Purchase Agreements with China National Vegetable Oil Corporation and Beijing Zhongzhi Tongshun Oils & Fats Corporation pursuant to which Winson Concept agreed to purchase all 100% equity interest in COFCO Feixian. COFCO Feixian is principally engaged in the manufacturing, processing and distribution of peanut oil, other vegetable oils and related products. Located in Shandong province, COFCO Feixian enjoys convenient access to major transportation networks. COFCO Feixian has annual peanut processing capacity of 180,000 tons.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China National Vegetable Oil Corporation and Beijing Zhongzhi Tongshun Oils & Fats Corporation and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

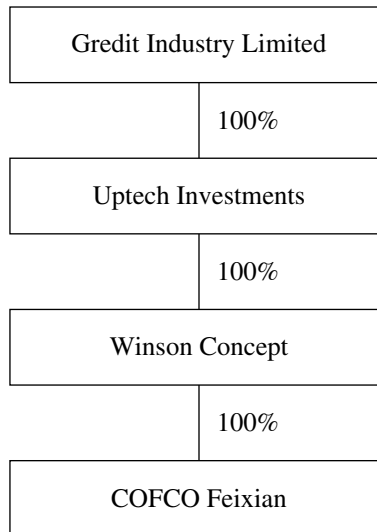
Shareholding structure

As of the date of this Announcement, the shareholding structure of the Uptech Investments Group is as follows:–

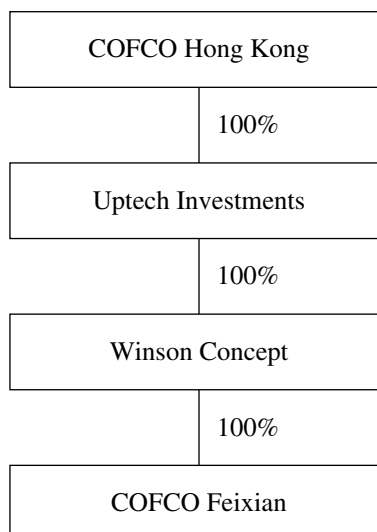


Pursuant to the COFCO Feixian Equity Purchase Agreements, Winson Concept has agreed to purchase 98.33% and 1.67% equity interest in COFCO Feixian from China National Vegetable Oil Corporation and Beijing Zhongzhi Tongshun Oils & Fats Corporation for the consideration of RMB48,984,800 (approximately HK\$53,876,815) and RMB831,940 (approximately HK\$915,024) respectively.

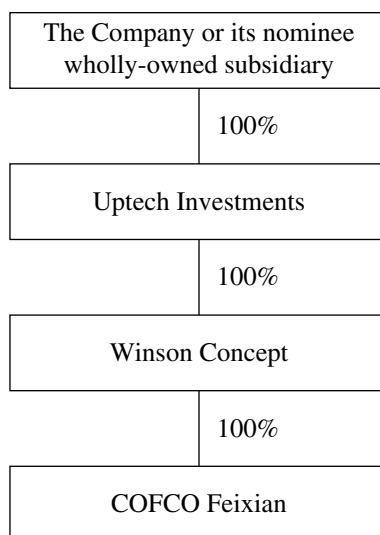
Upon completion of the COFCO Feixian Equity Purchase Agreements, the shareholding structure of the Uptech Investments Group will be as follows:–



Upon completion of the COFCO Feixian Equity Purchase Agreements and the COFCO Hong Kong Uptech Investments Share Purchase Agreement, the shareholding structure of the Uptech Investments Group will be as follows:–



Upon completion of the COFCO Feixian Equity Purchase Agreements, the COFCO Hong Kong Uptech Investments Share Purchase Agreement and the Uptech Investments Share Purchase Agreement, the shareholding structure of the Uptech Investments Group will be as follows:–



Financial information

The following table sets out certain financial information of the Uptech Investments Group including:

- (1) the unaudited consolidated total assets, total liabilities and net asset value as at 31 December 2008 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period ended 31 December 2008 of the Uptech Investments Group (comprising only Uptech Investments and Winson Concept);
- (2) the audited net asset value as at 31 December 2006 and 31 December 2007 and audited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2006 and 31 December 2007 of COFCO Feixian;
- (3) the unaudited net asset value as at 31 December 2008 and unaudited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2008 of COFCO Feixian.

Uptech Investments Group (comprising only Uptech Investments and Winson Concept)

As at 31 December 2008
(HK\$)

Unaudited consolidated total assets	0
Unaudited consolidated total liabilities	9,214
Unaudited consolidated net asset value	(9,214)

**For the period ended
31 December 2008**
(HK\$)

Unaudited consolidated net profit (before taxation and extraordinary items)	(9,222)
Unaudited consolidated net profit (after taxation and extraordinary items)	(9,222)

COFCO Feixian ^{Note}

As at 31 December 2006 (RMB)	As at 31 December 2007 (RMB)
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Audited net asset value	22,788,535 (approximately HK\$22,713,580)	23,121,002 (approximately HK\$24,691,373)
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For the year ended 31 December 2006 (RMB)	For the year ended 31 December 2007 (RMB)
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Audited net profit (before taxation and extraordinary items)	(7,307,436) (approximately HK\$(7,120,869))	661,231 (approximately HK\$681,330)
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Audited net profit (after taxation and extraordinary items)	(7,307,436) (approximately HK\$(7,120,869))	661,231 (approximately HK\$681,330)
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As at 31 December 2008
(RMB)

Unaudited net asset value	30,526,319 (approximately HK\$34,614,264)
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**For the year ended
31 December 2008**
(RMB)

Unaudited net profit (before taxation and extraordinary items)	7,682,253 (approximately HK\$8,449,464)
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Unaudited net profit (after taxation and extraordinary items)	7,405,317 (approximately HK\$8,144,871)
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Note: Prepared in accordance with the China Accounting Standards for Business Enterprises and applicable accounting standards of the PRC

The Cheerlink International Group

Business

Cheerlink International was incorporated as a limited liability company on 8 July 2008 under the laws of the British Virgin Islands and is currently 100% owned by COFCO Hong Kong. Cheerlink International is an investment holding company.

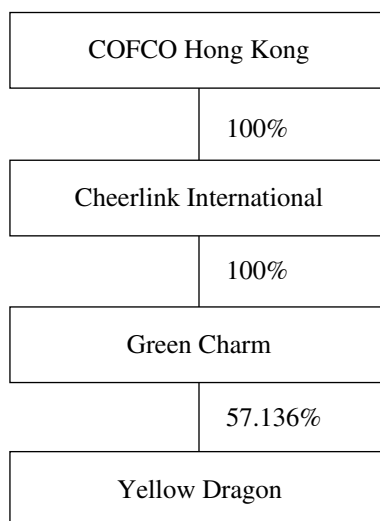
Green Charm is a limited liability company incorporated under the laws of Hong Kong on 20 June 2008 and is a wholly-owned subsidiary of Cheerlink International. Green Charm is an investment holding company.

Yellow Dragon is a limited liability company incorporated under the laws of the PRC is owned as to 57.136% by Green Charm. Yellow Dragon became a subsidiary of Green Charm after Green Charm acquired its 57.136% equity interest in Yellow Dragon from Jilin COFCO, an indirect wholly-owned subsidiary of COFCO Hong Kong, on 12 January 2009 for the consideration of approximately RMB242,225,437.44 (approximately HK\$274,663,156).

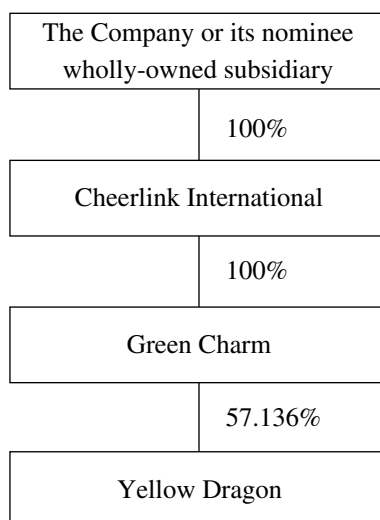
Yellow Dragon is principally engaged in the manufacturing and sales of corn starch, corn protein feed, corn gluten fodder, corn oil and starch syrup. Located in Jilin province, Yellow Dragon is one of the largest corn processing plants in the PRC, with annual corn processing capacity of approximately 650,000 tons.

Shareholding structure

As of the date of this Announcement, the shareholding structure of the Cheerlink International Group is as follows:–



Upon completion of the Cheerlink International Share Purchase Agreement, the shareholding structure of the Cheerlink International Group will be as follows:-



Financial information

The following table sets out certain financial information of the Cheerlink International Group including:

- (1) the unaudited consolidated total assets, total liabilities and net asset value as at 31 December 2008 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period ended 31 December 2008 of the Cheerlink International Group (comprising only Cheerlink International and Green Charm at the time);
- (2) the audited net asset value as at 31 December 2006 and 31 December 2007 and audited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2006 and 31 December 2007 of Yellow Dragon;
- (3) the unaudited net asset value as at 31 December 2008 and unaudited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2008 of Yellow Dragon;
- (4) the unaudited consolidated net asset value as at 31 January 2009 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period from 1 January 2009 to 31 January 2009 of the Cheerlink International Group (comprising Cheerlink International, Green Charm and Yellow Dragon).

Cheerlink International Group (comprising only Cheerlink International and Green Charm at the time)

	As at 31 December 2008 <i>(HK\$)</i>
Unaudited consolidated total assets	0
Unaudited consolidated total liabilities	15,619
Unaudited consolidated net asset value	(15,619)
	For the period ended 31 December 2008 <i>(HK\$)</i>
Unaudited consolidated net profit (before taxation and extraordinary items)	(15,627)
Unaudited consolidated net profit (after taxation and extraordinary items)	(15,627)

Yellow Dragon ^{Note}

	As at 31 December 2006 <i>(RMB)</i>	As at 31 December 2007 <i>(RMB)</i>
Audited net asset value	408,285,981 (approximately HK\$406,943,069)	409,686,424 (approximately HK\$437,512,200)

	For the year ended 31 December 2006 <i>(RMB)</i>	For the year ended 31 December 2007 <i>(RMB)</i>
Audited net profit (before taxation and extraordinary items)	60,749,575 (approximately HK\$59,198,572)	63,893,557 (approximately HK\$65,835,710)
Audited net profit (after taxation and extraordinary items)	47,045,423 (approximately HK\$45,844,302)	50,020,939 (approximately HK\$51,541,411)

	As at 31 December 2008 <i>(RMB)</i>
Unaudited net asset value	410,702,565 (approximately HK\$465,701,967)

**For the year ended
31 December 2008**
(RMB)

Unaudited net profit (before taxation and extraordinary items)	58,137,647 (approximately HK\$63,943,738)
Unaudited net profit (after taxation and extraordinary items)	43,316,978 (approximately HK\$47,642,959)

Note: Prepared in accordance with the China Accounting Standards for Business Enterprises and applicable accounting standards of the PRC

Cheerlink International Group (comprising Cheerlink International, Green Charm and Yellow Dragon)

As at 31 January 2009
(HK\$)

Unaudited consolidated net asset value	262,367,800
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**For the period from
1 January 2009 to
31 January 2009**
(HK\$)

Unaudited consolidated net profit (before taxation and extraordinary items)	(6,503,220)
Unaudited consolidated net profit (after taxation and extraordinary items)	(3,722,378)

The Parkwing Group

Business

Parkwing was incorporated as a limited liability company on 18 August 2008 under the laws of the British Virgin Islands and is currently 100% owned by COFCO Hong Kong. Parkwing is an investment holding company.

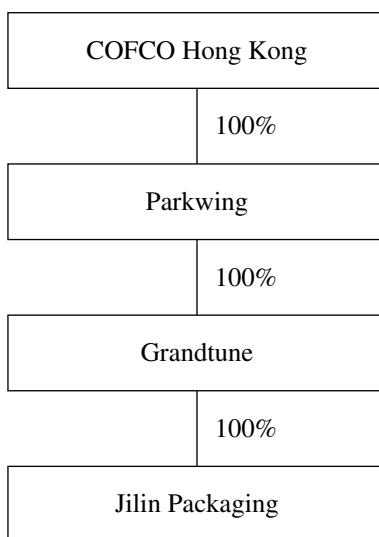
Grandtune is a limited liability company incorporated under the laws of Hong Kong on 13 March 2008 and is a wholly-owned subsidiary of Parkwing. Grandtune is an investment holding company.

Jilin Packaging is a limited liability company incorporated under the laws of the PRC and is a wholly-owned subsidiary of Grandtune. Jilin Packaging became a subsidiary of Grandtune after Grandtune acquired its 100% equity interest in Jilin Packaging from Jilin COFCO, an indirect wholly-owned subsidiary of COFCO Hong Kong, on 12 January 2009 for the consideration of approximately RMB47,371,530.58 (approximately HK\$53,715,309).

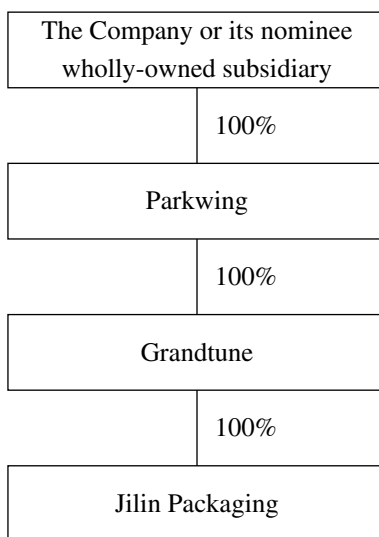
Jilin Packaging is principally engaged in the production and sale of packaging materials, and mainly supplies to Yellow Dragon and the Group.

Shareholding structure

As of the date of this Announcement, the shareholding structure of the Parkwing Group is as follows:–



Upon completion of the Parkwing Share Purchase Agreement, the shareholding structure of the Parkwing Group will be as follows:–



Financial information

The following table sets out certain financial information of the Parkwing Group including:

- (1) the unaudited consolidated total assets, total liabilities and net asset value as at 31 December 2008 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period ended 31 December 2008 of the Parkwing Group (comprising only Parkwing and Grandtune at the time);
- (2) the audited net asset value as at 31 December 2006 and 31 December 2007 and audited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2006 and 31 December 2007 of Jilin Packaging;
- (3) the unaudited net asset value as at 31 December 2008 and unaudited net profit (before and after taxation and extraordinary items) for the year ended 31 December 2008 of Jilin Packaging;
- (4) the unaudited consolidated net asset value as at 31 January 2009 and unaudited consolidated net profit (before and after taxation and extraordinary items) for the period from 1 January 2009 to 31 January 2009 of the Parkwing Group (comprising Parkwing, Grandtune and Jilin Packaging).

Parkwing Group (comprising only Parkwing and Grandtune at the time)

	As at 31 December 2008 <i>(HK\$)</i>
Unaudited consolidated total assets	0
Unaudited consolidated total liabilities	17,769
Unaudited consolidated net asset value	(17,769)
	For the period ended 31 December 2008 <i>(HK\$)</i>
Unaudited consolidated net profit (before taxation and extraordinary items)	(17,777)
Unaudited consolidated net profit (after taxation and extraordinary items)	(17,777)

Jilin Packaging ^{Note}

	As at 31 December 2006 (RMB)	As at 31 December 2007 (RMB)
Audited net asset value	19,545,323 (approximately HK\$19,481,036)	27,213,132 (approximately HK\$29,061,440)
	For the year ended 31 December 2006 (RMB)	For the year ended 31 December 2007 (RMB)
Audited net profit (before taxation and extraordinary items)	2,826,382 (approximately HK\$2,754,221)	2,932,056 (approximately HK\$3,021,181)
Audited net profit (after taxation and extraordinary items)	2,826,382 (approximately HK\$2,754,221)	2,485,561 (approximately HK\$2,561,114)
	As at 31 December 2008 (RMB)	
Unaudited net asset value		47,513,142 (approximately HK\$53,875,884)
	For the year ended 31 December 2008 (RMB)	
Unaudited net profit (before taxation and extraordinary items)		4,953,753 (approximately HK\$5,448,474)
Unaudited net profit (after taxation and extraordinary items)		4,360,388 (approximately HK\$4,795,851)

Note: Prepared in accordance with the China Accounting Standards for Business Enterprises and applicable accounting standards of the PRC

Parkwing Group (comprising Parkwing, Grandtune and Jilin Packaging)

As at 31 January 2009
(HK\$)

Unaudited consolidated net asset value 54,066,872

**For the period from
1 January 2009 to
31 January 2009**
(HK\$)

Unaudited consolidated net profit (before taxation and
extraordinary items) 225,890

Unaudited consolidated net profit (after taxation and
extraordinary items) 190,980

GENERAL INFORMATION

An Independent Board Committee has been formed to advise the Independent Shareholders on the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement, and the Independent Board Committee has approved the appointment of Taifook Capital Limited as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement in accordance with the Hong Kong Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no member of the Independent Board Committee has any material interest in the transaction contemplated under the Share Purchase Agreements and the Assets Purchase Agreement.

An EGM will be convened and held to consider and, if thought fit, to approve the Share Purchase Agreements, the Assets Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement, the letter from the Independent Board Committee and the recommendation from the independent financial adviser on the terms of transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement, together with a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Assets”	the Land, Buildings, Structures and Equipment and Machinery
“Assets Acquisition”	the purchase of Assets by COFCO Gongzhuling pursuant to the Assets Purchase Agreement
“Assets Purchase Agreement”	the Assets Purchase Agreement dated 17 February 2009 between Jilin COFCO and COFCO Gongzhuling in relation to the sale and purchase of the Assets
“Assets Purchase Completion”	completion of the Assets Purchase Agreement pursuant to the terms and conditions therein
“Board”	the board of Directors of the Company
“Buildings”	collectively the following buildings: <ul style="list-style-type: none">(a) the pre-purification tower with a gross floor area of 750.57 square meters, located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050888;(b) the transformer room, control room and boiler room with a total gross floor area of 622.2 square meters located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050889;(c) the pre-purification tower with a gross floor area of 714.71 square meters located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050890;(d) the switching station with a gross floor area of 29.15 square meters located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552 as evidenced and set forth in the Gongzhuling Municipal Property Certificate Number Gong(Si) 0050891

“Cheerlink International”	Cheerlink International Limited, a company incorporated in the British Virgin Islands with limited liability
“Cheerlink International Consideration Shares”	the 73,489,345 new Shares to be allotted and issued by the Company to COFCO Hong Kong as consideration for the purchase of the Cheerlink International Sale Shares pursuant to the Cheerlink International Share Purchase Agreement and “Cheerlink International Consideration Share” shall be construed accordingly
“Cheerlink International Group”	collectively Cheerlink International and its subsidiaries Green Charm and Yellow Dragon
“Cheerlink International Sale Shares”	the two shares of US\$1 each beneficially owned by and registered in the name of COFCO Hong Kong, representing the entire issued share capital of Cheerlink International
“Cheerlink International Share Acquisitions”	the purchase of the Cheerlink International Sale Shares pursuant to the Cheerlink International Share Purchase Agreement
“Cheerlink International Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 17 February 2009 between the Company and COFCO Hong Kong in relation to the sale and purchase of the Cheerlink International Sale Shares
“Cheerlink International Share Purchase Completion”	completion of the Cheerlink International Share Purchase Agreement pursuant to the terms and conditions therein
“COFCO”	COFCO Limited (中糧集團有限公司), a wholly state-owned company incorporated in the PRC in September 1952 currently under the purview of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, the ultimate controlling shareholder of the Company
“COFCO Dongguan”	COFCO Xinsha Oils & Grains Industrial (Dongguan) Co Ltd (中糧新沙糧油工業(東莞)有限公司), a limited liability company incorporated in the PRC
“COFCO Dongguan Equity Purchase Agreements”	(a) the Equity Purchase Agreement dated 28 August 2008 entered into between China National Vegetable Oil Corporation (中國植物油公司) and Time Triumph for the purchase of 75% equity interest in COFCO Dongguan by Time Triumph; and

	(b) the Equity Purchase Agreement dated 28 August 2008 entered into between Gredit Industry Limited and Time Triumph for the purchase of 25% equity interest in COFCO Dongguan by Time Triumph
“COFCO Feixian”	Fei County COFCO Oils & Fats Industrial Co Ltd (費縣中糧油脂工業有限公司), a limited liability company incorporated in the PRC
“COFCO Feixian Equity Purchase Agreements”	(a) the Equity Purchase Agreement dated 28 August 2008 entered into between China National Vegetable Oil Corporation (中國植物油公司) and Winson Concept for the purchase of 98.33% equity interest in COFCO Feixian by Winson Concept; and (b) the Equity Purchase Agreement dated 28 August 2008 entered into between Beijing Zhongzhi Tongshun Oils & Fats Corporation (北京中植通順油脂公司) and Winson Concept for the purchase of 1.67% equity interest in COFCO Feixian by Winson Concept
“COFCO Gongzhuling”	COFCO Bio-chemical Energy (Gongzhuling) Co Ltd (中糧生化能源(公主嶺)有限公司) a limited liability company incorporated in the PRC and a subsidiary of the Company
“COFCO Hong Kong”	COFCO (Hong Kong) Limited (中糧集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company, and a direct wholly-owned subsidiary of COFCO
“COFCO Hong Kong Group”	COFCO Hong Kong and its subsidiaries, but excluding the Group
“COFCO Hong Kong Kindgain Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 12 February 2009 entered into between Gredit Industry Limited and COFCO Hong Kong for the purchase of all issued shares of Kindgain by COFCO Hong Kong
“COFCO Hong Kong Uptech Investments Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 12 February 2009 entered into between Gredit Industry Limited and COFCO Hong Kong for the purchase of all issued shares of Uptech Investments by COFCO Hong Kong
“Company”	China Agri-Industries Holdings Limited (中國糧油控股有限公司), a company incorporated on 18 November 2006 with limited liability under the laws of Hong Kong, the shares of which are listed on the Stock Exchange

“Consideration Shares”	the aggregate of the Kindgain Consideration Shares, the Uptech Investments Consideration Shares, the Cheerlink International Consideration Shares and the Parkwing Consideration Shares
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and approve the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement
“Equipment and Machinery”	the equipment, machinery and other assets set out in the Equipment and Machinery Valuation Report including silos, pre-drying silo, post-drying silo, belt conveyors, bucket elevators, drying tower, cyclone dust collector, hot blast furnaces, induced draft fans, drum sieve, scraper conveyors, screw type air compressor, air dryer, oil filters, dust filters, blowers, air receiver, impulse type dust collectors, truck scale, instrument control panel, in-line water detector and electrical distribution system, and other associated equipment including office equipment and computers, a detail list of which is included in the Equipment and Machinery Valuation Report
“Equipment and Machinery Valuation Report”	the valuation report prepared by the Valuer in relation to the value of the Equipment and Machinery as at the Valuation Date
“Grandtune”	Grandtune Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Parkwing
“Green Charm”	Green Charm Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Cheerlink International
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors namely Mr. Lam Wai Hon Ambrose, Mr. Victor Yang and Mr. Patrick Vincent Vizzone
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolutions to be proposed at the EGM to approve the transactions contemplated under the Share Purchase Agreements and the Assets Purchase Agreement under the Hong Kong Listing Rules
“Jilin COFCO”	Jilin COFCO Bio-chemical Co Ltd (吉林中糧生化有限公司) a limited liability company incorporated in the PRC and a subsidiary of COFCO Hong Kong
“Jilin Packaging”	Jilin CRC Biochemistry Packaging Company Limited (吉林中糧生化包裝有限公司), a limited liability company incorporated in the PRC, a direct wholly-owned subsidiary of Grandtune and an indirect wholly-owned subsidiary of Parkwing
“Kindgain”	Kindgain Limited, a company incorporated in the British Virgin Islands with limited liability
“Kindgain Consideration Shares”	the 160,650,093 new Shares to be allotted and issued by the Company to COFCO Hong Kong as consideration for the purchase of the Kindgain Sale Shares pursuant to the Kindgain Share Purchase Agreement and “Kindgain Consideration Share” shall be construed accordingly
“Kindgain Group”	collectively Kindgain and its subsidiary Time Triumph and, for the purpose of this Announcement and unless the context otherwise requires, shall also include COFCO Dongguan
“Kindgain Sale Shares”	the two shares of US\$1 each beneficially owned by and registered in the name of COFCO Hong Kong, representing the entire issued share capital of Kindgain
“Kindgain Share Acquisitions”	the purchase of the Kindgain Sale Shares pursuant to the Kindgain Share Purchase Agreement
“Kindgain Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 17 February 2009 between the Company and COFCO Hong Kong in relation to the sale and purchase of the Kindgain Sale Shares

“Kindgain Share Purchase Completion”	completion of the Kindgain Share Purchase Agreement pursuant to the terms and conditions therein
“Land”	<p>collectively the following:</p> <ul style="list-style-type: none"> <li data-bbox="638 329 1449 563">(a) the land use rights in respect of a piece of land with an area of 267,512 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 30 June 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380549; <li data-bbox="638 595 1449 829">(b) the land use rights in respect of a piece of land with an area of 45,936 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 30 June 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380550; <li data-bbox="638 861 1449 1095">(c) the land use rights in respect of a piece of land with an area of 21,018 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 27 August 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380551; <li data-bbox="638 1127 1449 1361">(d) the land use rights in respect of a piece of land with an area of 15,544 square meters located at Gongzhu East Street, Gongzhuling Municipal, for a period of 50 years until 31 December 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380552; and <li data-bbox="638 1393 1449 1606">(e) the land use rights in respect of a piece of land with an area of 3,450 square meters located at the East section of Henan Street, Gongzhuling Municipal, for a period of 50 years until 31 December 2054 as set out in the land use rights certificate number Gongguoyong (2008) 0380553
“Land, Buildings and Structures Valuation Report”	the valuation report prepared by the Valuer in relation to the value of the Land, Buildings and Structures as at the Valuation Date
“Parkwing”	Parkwing Limited, a company incorporated in the British Virgin Islands with limited liability

“Parkwing Consideration Shares”	the 14,373,070 new Shares to be allotted and issued by the Company to COFCO Hong Kong as consideration for the purchase of the Parkwing Sale Shares pursuant to the Parkwing Share Purchase Agreement and “Parkwing Consideration Share” shall be construed accordingly
“Parkwing Group”	collectively Parkwing and its subsidiaries Grandtune and Jiling Packaging
“Parkwing Sale Shares”	the two shares of US\$1 each beneficially owned by and registered in the name of COFCO Hong Kong, representing the entire issued share capital of Parkwing
“Parkwing Share Acquisitions”	the purchase of the Parkwing Sale Shares pursuant to the Parkwing Share Purchase Agreement
“Parkwing Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 17 February 2009 between the Company and COFCO Hong Kong in relation to the sale and purchase of the Parkwing Sale Shares
“Parkwing Share Purchase Completion”	completion of the Parkwing Share Purchase Agreement pursuant to the terms and conditions therein
“PRC”	the People’s Republic of China, which for the purposes of this Announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Acquisitions”	collectively the Cheerlink International Share Acquisitions, the Kindgain Share Acquisitions, the Parkwing Share Acquisitions and the Uptech Investments Share Acquisitions
“Shareholders”	the shareholders of the Company
“Share Purchase Agreements”	collectively the Kindgain Share Purchase Agreement, the Uptech Investments Share Purchase Agreement, the Cheerlink International Share Purchase Agreement and the Parkwing Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong limited

“Structures”

collectively the following structures:

- (a) the fences and gates completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (b) the underground channels and pits for grain discharge completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (c) the steel tipper and steel screen completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (d) the hard floor completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (e) the enhanced hard floor completed in December 2005 that are located on the piece of land with land use rights certificate number Gongguoyong (2008) 0380552;
- (f) the corn-discharging channel completed in December 2005 that are located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550; and
- (g) the assembling steel base for warehouse completed in December 2005 that are located on two pieces of land with land use rights certificate numbers Gongguoyong (2008) 0380549 and 0380550.

“Target Groups”

collectively the Kindgain Group, the Uptech Investments Group, the Cheerlink International Group and the Parkwing Group

“Time Triumph”

Time Triumph Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Kindgain

“Uptech Investments”	Uptech Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Uptech Investments Consideration Shares”	the 15,113,975 new Shares to be allotted and issued by the Company to COFCO Hong Kong as consideration for the purchase of the Uptech Investments Sale Shares pursuant to the Uptech Investments Share Purchase Agreement and “Uptech Investments Consideration Share” shall be construed accordingly
“Uptech Investments Group”	collectively Uptech Investments and its subsidiary Winson Concept and, for the purpose of this Announcement and unless the context otherwise requires, shall also include COFCO Feixian
“Uptech Investments Sale Shares”	the two shares of US\$1 each beneficially owned by and registered in the name of COFCO Hong Kong, representing the entire issued share capital of Uptech Investments
“Uptech Investments Share Acquisitions”	the purchase of the Uptech Investments Sale Shares pursuant to the Uptech Investments Share Purchase Agreement
“Uptech Investments Share Purchase Agreement”	the Share Sale and Purchase Agreement dated 17 February 2009 between the Company and COFCO Hong Kong in relation to the sale and purchase of the Uptech Investments Sale Shares
“Uptech Investments Share Purchase Completion”	completion of the Uptech Investments Share Purchase Agreement pursuant to the terms and conditions therein
“Valuation Date”	31 December 2008, being the assessment date adopted by the Valuer in the Valuation Reports
“Valuation Reports”	collectively the Equipment and Machinery Valuation Report and the Land, Buildings and Structures Valuation Report
“Valuer”	Savills Valuation and Professional Services Limited, a firm of valuer qualified in Hong Kong
“Winson Concept”	Winson Concept Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Uptech Investments

“Yellow Dragon”

Huanglong Food Industry Company Limited (黃龍食品工業有限公司), a limited liability company incorporated in the PRC, a subsidiary of Green Charm and an indirect subsidiary of Cheerlink International

By order of the Board
China Agri-Industries Holdings Limited
Yu Xubo
Managing Director

Hong Kong, 17 February 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.

In this announcement, unless otherwise specified, amounts in RMB are converted to HK\$ at the relevant conversion rate set out in the below conversion rate table for illustration purpose only. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at such rate or any other rates.

<i>For financial information on profit and loss accounts, consideration amounts and other figures that relate to the year or period ended 31 December 2006</i>	<i>For financial information on profit and loss accounts, consideration amounts and other figures that relate to the year or period ended 31 December 2007</i>	<i>For financial information on profit and loss accounts, consideration amounts and other figures that relate to the year or period ended 31 December 2008</i>	<i>For financial information, consideration amounts and other figures that relate to 2009</i>
<i>HK\$1.00 = RMB1.0262</i>	<i>HK\$1.00 = RMB0.9705</i>	<i>HK\$1.00 = RMB0.9092</i>	<i>HK\$1.00 = RMB0.8819</i>
<i>For financial information on balance sheet as at 31 December 2006</i>	<i>For financial information on balance sheet as at 31 December 2007</i>	<i>For financial information on balance sheet as at 31 December 2008</i>	
<i>HK\$1.00 = RMB1.0033</i>	<i>HK\$1.00 = RMB0.9364</i>	<i>HK\$1.00 = RMB0.8819</i>	