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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)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY TEN SHARES
HELD ON THE RECORD DATE**

Underwriter



COFCO (Hong Kong) Limited
中糧集團(香港)有限公司

Financial Advisor to the Company
J.P.Morgan

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$4,107,022,000 to HK\$4,485,631,000 (before expenses) by issuing not less than 1,211,510,949 Rights Shares and not more than 1,323,194,991 Rights Shares at the Subscription Price of HK\$3.39 per Rights Share. The Rights Shares in nil-paid forms will be provisionally allotted to the Qualifying Shareholders on the basis of three Rights Share for every ten Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will not be available to the Excluded Shareholders. Excess application of Rights Shares may be made by the Qualifying Shareholders. The net proceeds from the Rights Issue are estimated to be approximately HK\$4,092,724,000 to HK\$4,470,386,000. In the event that the Rights Issue becomes unconditional, the Company intends to utilise the net proceeds of the Rights Issue for payment of the amount incurred for possible redemption of the Convertible Bonds which is projected to be at an aggregate amount of approximately HK\$4,013,570,000, general working capital of the Company and other usage as the Directors may consider in the interest of the Shareholders.

A minimum of 1,211,510,949 Rights Shares which may fall to be issued is arrived at based on three Rights Shares for every ten Shares held on the Record Date, taking into account (i) the 4,038,369,839 Shares in issue as at the date of this announcement; and (ii) assuming no new Shares will be issued after the date of this announcement and up to the Record Date. The minimum number of Rights Shares would represent 30.00% of the issued share capital of the Company as at the date of this announcement and approximately 23.08% of the issued share capital of the Company as enlarged by the issue of the minimum number of the Rights Shares, respectively, assuming no new Shares will be issued on or prior to the Record Date. Such minimum number of Rights Shares represents an aggregate nominal value of approximately HK\$121 million.

A maximum of 1,323,194,991 Rights Shares which may fall to be issued is arrived at based on three Rights Shares for every ten Shares held on the Record Date, taking into account (i) the 4,038,369,839 Shares in issue as at the date of this announcement; and (ii) assuming 18,043,000 new Shares which may fall to be issued upon full exercise of the exercisable Share Options and 354,237,133 new Shares which may fall to be issued upon full conversion of the Convertible Bonds by the holders thereof on or prior to the Record Date. The maximum number of Rights Shares would represent approximately 32.77% of the issued share capital of the Company as at the date of this announcement and approximately 23.08% of the issued share capital of the Company as enlarged by the issue of the maximum number of the Rights Shares, assuming full exercise of the exercisable Share Options and full conversion of the Convertible Bonds, respectively. Such maximum number of Rights Shares represents an aggregate nominal value of approximately HK\$132 million.

Pursuant to the Undertakings, COFCO (HK), Wide Smart and COFCO No. 108 have respectively undertaken to the Company to subscribe or procure the subscription of 700,894,443 Rights Shares in an aggregate amount of approximately HK\$2,376,032,000 being their provisional allotment of Rights Shares.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to subscribe or procure subscribers to subscribe for all Underwritten Rights Shares which are not subscribed for, subject to terms and conditions set out in the Underwriting Agreement in particular the fulfillment of the conditions contained therein.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to, among other things, the fulfillment or waiver of the conditions set out in the paragraph headed “Conditions of the Rights Issue” below. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed and the Shareholders and the public are reminded to exercise caution when dealing in the Shares.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other person contemplating any dealings in the Shares or Rights Shares in their nil-paid form is recommended to consult their own professional advisers.

GENERAL

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders, to the extent reasonably practicable and legally permitted, for information only.

PROPOSED RIGHTS ISSUE

Issue statistics:

Basis of the Rights Issue	:	Three Rights Shares for every ten Shares held by the Qualifying Shareholders on the Record Date
Number of Shares in issue as at the date of this announcement	:	4,038,369,839 Shares
Number of Rights Shares	:	Not less than 1,211,510,949 Rights Shares and not more than 1,323,194,991 Rights Shares
Aggregate nominal value of the Rights Shares	:	Not less than HK\$121,151,094.9 and not more than HK\$132,319,499.1
Subscription Price	:	HK\$3.39 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue (assuming that no outstanding Share Options are exercised and no Convertible Bonds are converted pursuant to the terms and conditions of the Convertible Bonds on or before the Record Date)	:	5,249,880,788 Shares
Enlarged issued share capital of the Company upon completion of the Rights Issue (assuming that all exercisable Share Options are exercised and all Convertible Bonds are converted pursuant to the terms and conditions of the Convertible Bonds on or before the Record Date)	:	5,733,844,963 Shares
Funds raised before expenses	:	Between approximately HK\$4,107,022,000 to HK\$4,485,631,000
Underwriter	:	COFCO (HK)

Basis of Provisional Allotment

Three Rights Shares for every ten Shares held by a Qualifying Shareholder on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

As at the date of this announcement, the Company has (i) 67,929,000 Share Options entitling the holders thereof to subscribe for a total of 67,929,000 Shares at exercise price ranging from HK\$4.666 per Share to HK\$8.72 per Share (subject to adjustments, if any); and (ii) Convertible Bonds with the aggregate outstanding principal amount of HK\$3,875 million entitling the holders thereof to convert for a total of 354,237,133 Shares at the conversion price of HK\$10.939 per Share (subject to adjustments, if any). Among the 67,929,000 Share Options, 18,043,000 Share Options are exercisable on or before the Record Date whereas the remaining Share Options would be in the specified vesting period and therefore would not be exercisable on or before the Record Date. And the aggregate principal amount of the Convertible Bonds entitling the holders thereof to convert into new Shares on or before the Record Date is approximately HK\$3,875 million, conferring rights to convert into 354,237,133 new Shares.

Other than the Share Options and the Convertible Bonds, the Company has no other share options, warrants, derivatives or other securities convertible into or exchangeable for the Shares outstanding as at the date of this announcement.

As at the date of this announcement, the Board has not received any information from any substantial Shareholders (apart from COFCO (HK), Wide Smart and COFCO No. 108 pursuant to the Undertakings) of their intention to take up the Rights Shares to be provisionally allotted or offered to them under the Rights Issue.

A minimum of 1,211,510,949 Rights Shares which may fall to be issued is arrived at based on three Rights Shares for every ten Shares held on the Record Date, taking into account (i) the 4,038,369,839 Shares in issue as at the date of this announcement; and (ii) assuming no new Shares will be issued after the date of this announcement and up to the Record Date. The minimum number of Rights Shares would represent 30.00% of the issued share capital of the Company as at the date of this announcement and approximately 23.08% of the issued share capital of the Company as enlarged by the issue of the minimum number of the Rights Shares, respectively, assuming no new Shares will be issued on or prior to the Record Date. Such minimum number of Rights Shares represents an aggregate nominal value of approximately HK\$121 million.

A maximum of 1,323,194,991 Rights Shares which may fall to be issued is arrived at based on three Rights Shares for every ten Shares held on the Record Date, taking into account (i) the 4,038,369,839 Shares in issue as at the date of this announcement; and (ii) assuming 18,043,000 new Shares which may fall to be issued upon full exercise of the exercisable Share Options and 354,237,133 new Shares which may fall to be issued upon full conversion of the Convertible Bonds by the holders thereof on or prior to the Record Date. The maximum number of Rights Shares would represent approximately 32.77% of the issued share capital of the Company as at the date of this announcement and approximately 23.08% of the issued share capital of the Company as enlarged by the issue of the maximum number of the Rights Shares, assuming full exercise of the exercisable Share Options and full conversion of the Convertible Bonds, respectively. Such maximum number of Rights Shares represents an aggregate nominal value of approximately HK\$132 million.

Subscription Price

The Subscription Price for the Rights Shares is HK\$3.39 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 31.38% to the closing price of HK\$4.94 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 30.53% to the average closing price of approximately HK\$4.88 per Share for the five consecutive trading days ended on the Last Trading Day;
- (iii) a discount of approximately 26.62% to the average closing price of approximately HK\$4.62 per Share for the thirty consecutive trading days ended on the Last Trading Day; and
- (iv) a discount of approximately 25.98% to the theoretical ex-rights price of approximately HK\$4.58 per Share based on the closing price of HK\$4.94 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors (including the independent non-executive directors of the Company) consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on 27 November, 2012. For the holders of Convertible Bonds, they should exercise their conversion rights by delivering a notice of conversion to the conversion agent on or before 20 November, 2012 in order to be entitled to the Rights Issue in respect of the relevant Shares.

The Company will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the PAL and EAF), for information only, to the Excluded Shareholders on or around 3 December, 2012.

Excluded Shareholders

The Prospectus will not be registered or filed under the securities legislation of any jurisdiction other than Hong Kong.

The Directors will make enquiries pursuant to Rule 13.36(2) of the Listing Rules. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholders from the Rights Issue, no Rights Shares will be offered to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The Company will send the Prospectus (without the PAL and EAF) to the Excluded Shareholders for their information only.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of such sale, less expenses and stamp duty, above HK\$100 will be paid to the relevant Excluded Shareholders in Hong Kong dollars (pro rata to their shareholdings). The Company will retain individual amount of HK\$100 or less than HK\$100 for the benefit of the Company. Any unsold entitlements of the Excluded Shareholders will be available for excess application on the EAF by the Qualifying Shareholders.

Fractional entitlements to the Rights Shares

No fractions of Rights Shares (in nil-paid form) will be provisionally allotted and the Company will procure the allotment of such Rights Shares created by adding together fractions of Rights Shares to the Nominee, as nominee of the Company, for sale of such nil-paid Rights Shares as soon as practicable after commencement of dealings on the Stock Exchange in nil-paid Rights Shares (or, after commencement of dealings on the Stock Exchange in Rights Shares in fully-paid form, for sale of such Rights Shares in fully-paid form), and will keep the proceeds for the benefit of the Company. Any of such fractional nil-paid Rights Shares not sold as aforesaid (before dealings in nil-paid Rights Shares cease) will be available for application on the EAF by the Qualifying Shareholders.

Application for excess Rights Shares

The Directors will allocate the excess Rights Shares (if any) at their discretion with reference to the level of acceptance of the Rights Shares and the number of excess Rights Shares available on a fair and equitable basis on the following principles:

- (i) subject to availability of the excess Rights Shares, preference will be given to the Qualifying Shareholders topping up odd lots to whole board lots where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (ii) subject to availability of the excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied by them, with board lots allocation to be made on a best effort basis.

In applying the principle in (i) above, reference will only be made to the number of excess Rights Shares being applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by the Qualifying Shareholders.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly the Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for the allocation of the excess Rights Shares will not be extended to the beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. For those investors who would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar for completion of the relevant registration by 4:30 p.m. (Hong Kong time) on 27 November, 2012.

Status of the Rights Shares

When issued and fully paid, the Rights Shares will rank pari passu in all respects with the existing Shares. Holders of fully-paid Rights Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Application for Listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The board lot size of nil-paid Rights Shares is the same as that of the fully-paid Rights Shares of 1,000 Shares.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any stock exchange other than the Stock Exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC as deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional advisors for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty, other fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

Share certificate and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be posted to the Qualifying Shareholders, and in the case of joint Qualifying Shareholders, to the first-named Qualifying Shareholders, by ordinary post, at their own risks, on or around 24 December, 2012. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or around 24 December, 2012 by ordinary post to the Qualifying Shareholders, and in the case of the joint Qualifying Shareholders, to the first-named Qualifying Shareholders, at their own risk.

UNDERTAKINGS GIVEN BY COFCO (HK), WIDE SMART AND COFCO NO. 108 IN CONNECTION WITH THE RIGHTS ISSUE

Pursuant to the Undertakings, COFCO (HK), Wide Smart and COFCO No. 108 have respectively undertaken to the Company to subscribe or procure the subscription of 700,894,443 Rights Shares in an aggregate amount of approximately HK\$2,376,032,000 being their provisional allotment of Rights Shares.

THE UNDERWRITING AGREEMENT

Date:	5 November, 2012
Underwriter:	COFCO (HK)
Total number of Underwritten Rights Shares:	Not less than 510,616,506 Rights Shares and not more than 622,300,548 Rights Shares
Commission:	nil

Pursuant to the Underwriting Agreement, the Underwriter has agreed to subscribe or procure subscribers to subscribe for all Underwritten Rights Shares which are not subscribed for, subject to terms and conditions set out in the Underwriting Agreement in particular the fulfilment of the conditions contained therein.

COFCO (HK), directly and through Wide Smart and COFCO No. 108, holds 2,336,314,814 Shares representing approximately 57.85% of the total issued shares as at the date of this announcement. As such, COFCO (HK) is a connected person of the Company under Chapter 14A of the Listing Rules. The underwriting of the Rights Issue by COFCO (HK) under the Underwriting Agreement constitutes a connected transaction for the Company which is exempted from announcement, reporting and independent Shareholders' approval requirements pursuant to Rule 14A.31(3)(c) of the Listing Rules.

The Board (including the independent non-executive director of the Company) considers the terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and the Underwriter and are fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. The obligations of the Underwriter under the Underwriting Agreement are conditional on:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the filing and registration by the Company of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
- (iii) the posting of the Prospectus Documents to Qualifying Shareholders by the Company;
- (iv) the Company's compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement including, without limitation, the obligation to deliver to the Underwriter (in form and substance satisfactory to the Underwriter) the documents listed in the Underwriting Agreement by the times and dates specified therein;
- (v) the issue of the Rights Shares and the obligations of the Underwriter to underwrite under the Underwriting Agreement not being prohibited by any statute, order, rule, directive or regulation promulgated after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of Hong Kong and/or the People's Republic of China; and
- (vi) the Warranties given by the Company under the Underwriting Agreement remaining true and accurate as of closing.

Conditions (i) to (iii) cannot be waived by the parties hereto and conditions (iv) to (vi) can be waived by the Underwriter. In the event that conditions (iv), (v) and (vi) have not been satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or in the event that the conditions (i), (ii) and (iii) have not been satisfied on or by the Latest Time for Termination, all liabilities of the parties in the Underwriting Agreement shall cease and no party shall have any further obligations, or any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Underwriting Agreement.

Non-disposal undertaking by COFCO (HK)

COFCO (HK) has undertaken to the Company that, without the prior consent of the Company, it will not, and will procure its associates not to, at any time during the period commencing on the date of the Underwriting Agreement and ending on, and including, the date that is 90 days after the commencement of dealing in Rights Shares in fully-paid form:

- (i) sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest, or contract or agree to sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest over any Shares; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any interest therein; or
- (iii) enter into any transactions with the same economic effect as any transaction specified in (i) and (ii) above; or
- (iv) offer to or agree to or announce any intention to effect any transaction specified in (i) and (ii) above.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement with immediate effect by notice to the Company at any time at or prior to the Latest Time for Termination if:

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe:
 - (i) that any statement contained in any of this announcement, the Prospectus Documents or any Supplementary Prospectus was or has become untrue, incorrect or misleading in any material respect; or
 - (ii) that any matter has arisen or been discovered which would, if this announcement, the Prospectus Documents or any Supplementary Prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in this announcement, the Prospectus Documents or any Supplementary Prospectus; or
 - (iii) that any of the Warranties is (or would if repeated at that time be) untrue or breached; or
 - (iv) that there is any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement; or
 - (v) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully paid forms) has been withdrawn by the Stock Exchange; or

- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or the People's Republic of China or any other place in which any member of the Group conducts or carries on business; or
 - (ii) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions,

and which, in any such case and in the reasonable opinion of the Underwriter, will or may (A) be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Group as a whole or the Rights Issue or the success thereof or (B) make it inadvisable or inexpedient to proceed with the Rights Issue or (C) have the effect of making any part of the Underwriting Agreement incapable of performance in accordance with its terms.

Upon termination, all liabilities of the parties in the Underwriting Agreement shall cease and no party shall have any further obligations, or any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Underwriting Agreement. **If the Underwriter exercises such right, the Rights Issue will not proceed.**

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to, among other things, the fulfillment or waiver of the conditions set out in the paragraph headed "Conditions of the Rights Issue" above. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed and the Shareholders and the public are reminded to exercise caution when dealing in the Shares.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other person contemplating any dealings in the Shares or Rights Shares in their nil-paid form is recommended to consult their own professional advisers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 28 November, 2012 to 30 November, 2012, both days inclusive, for the purpose of establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

EXPECTED TIMETABLE

The expected timetable of the Rights Issue is set out below:

Publication of the announcement about the Rights Issue	Monday, 5 November, 2012
Last day of dealings in the Shares on a cum-rights basis	Friday, 23 November, 2012
Ex-date (the first day of dealings in the Shares on an ex-rights basis)	Monday, 26 November, 2012
Latest time for lodging transfers of Shares to qualify for the Rights Issue	4:30 p.m. on Tuesday, 27 November, 2012
Book close period to determine the entitlements to the Rights Issue (both dates inclusive)	Wednesday, 28 November, 2012 to Friday, 30 November, 2012
Record Date	5:00 p.m. on Friday, 30 November, 2012
Registration of Prospectus	Monday, 3 December, 2012
Register of members of the Company re-opens	Monday, 3 December, 2012
Despatch of Prospectus Documents	Monday, 3 December, 2012
First day of dealings in nil-paid Rights Shares	Wednesday, 5 December, 2012
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 7 December, 2012
Last day of dealings in nil-paid Rights Shares	Wednesday, 12 December, 2012
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 17 December, 2012
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 20 December, 2012
Announcement of the results of the Rights Issue to be published	Friday, 21 December, 2012

Despatch of certificates for fully-paid Rights Shares and refund cheques Monday, 24 December, 2012

Expected first day of dealings in fully-paid Rights Shares on the Stock Exchange 9:00 a.m. on Thursday, 27 December, 2012

All times specified in this announcement refer to Hong Kong times. Dates stated in this announcement for events mentioned in the timetable are indicative only and may be extended or varied. The Company will make further announcement if there is any change to the above timetable.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date.

Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Acceptance Date, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

The table below depicts the shareholding structure of the Company as at the date of this announcement and for illustrative purpose only, the possible changes upon completion of the Rights Issue, after the Directors having made reasonable enquiries and assuming there is no other change in the shareholding structure of the Company since the date of this announcement.

	As at the date of this announcement		Upon completion of the Rights Issue							
	No. of Shares	%	Assuming no exercise of exercisable Share Options and Convertible Bonds by holders thereof				Assuming full exercise of exercisable Share Options and conversion of Convertible Bonds			
Nil subscription by Shareholders other than COFCO (HK), Wide Smart and COFCO No. 108 (Note 1)			100% subscription by Shareholders (Note 2)		Nil subscription by Shareholders other than COFCO (HK), Wide Smart and COFCO No. 108 (Note 1)		100% subscription by Shareholders (Note 2)			
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shareholders										
COFCO (HK)	273,764,483	6.78	866,510,333	16.51	355,893,827	6.78	978,194,375	17.06	355,893,827	6.21
Wide Smart	1,922,550,331	47.61	2,499,315,430	47.61	2,499,315,430	47.61	2,499,315,430	43.59	2,499,315,430	43.59
COFCO No. 108	140,000,000	3.47	182,000,000	3.47	182,000,000	3.47	182,000,000	3.17	182,000,000	3.17
Subtotal	2,336,314,814	57.85	3,547,825,763	67.58	3,037,209,257	57.85	3,659,509,805	63.82	3,037,209,257	52.97
Mr. Ning Gaoning	0	0.00	0	0.00	0	0.00	560,000	0.01	728,000	0.01
Mr. Yu Xubo and his spouse	181,000	0.00	181,000	0.00	235,300	0.00	741,000	0.01	963,300	0.02
Mr. Lv Jun	400,000	0.01	400,000	0.01	520,000	0.01	790,000	0.01	1,027,000	0.02
Mr. Yue Guojun	200,000	0.00	200,000	0.00	260,000	0.00	720,000	0.01	936,000	0.02
Mr. Ma Wangjun	0	0.00	0	0.00	0	0.00	480,000	0.01	624,000	0.01
Mr. Wang Zhiying	20,000	0.00	20,000	0.00	26,000	0.00	20,000	0.00	26,000	0.00
Public Shareholders	1,701,254,025	42.13	1,701,254,025	32.41	2,211,630,231	42.13	2,071,024,158	36.12	2,692,331,406	46.95
Total	4,038,369,839	100.00	5,249,880,788	100.00	5,249,880,788	100.00	5,733,844,963	100.00	5,733,844,963	100.00

Notes:

- (1) For illustrative purpose only, assuming no Shareholder (other than COFCO (HK), Wide Smart and COFCO No. 108) subscribes the Rights Shares and all the unsubscribed Rights Shares are taken up by the Underwriter.
- (2) For illustrative purpose only, assuming all Shareholders take up all the Rights Shares which they are entitled.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors consider that it would be favourable to the Company's development in the long run and in the interest of the Company and the Shareholders as a whole to proceed with the Rights Issue at a reasonable pricing to further strengthen its capital base and optimise its capital structure. The Rights Issue will also offer existing Shareholders the opportunity to participate in the future development of the Company on equal terms.

The net proceeds from the Rights Issue are estimated to be approximately HK\$4,092,724,000 to HK\$4,470,386,000. In the event that the Rights Issue becomes unconditional, the Company intends to utilise the net proceeds of the Rights Issue for payment of the amount incurred for possible redemption of the Convertible Bonds which is projected to be at an aggregate amount of approximately HK\$4,013,570,000, general working capital of the Company and other usage as the Directors may consider in the interest of the Shareholders.

TAXATION

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

FUND RAISING EXERCISES OF THE COMPANY

The Company had not conducted any fund raising exercise by way of issue of equities in the past 12 months immediately preceding the date of this announcement.

POSSIBLE ADJUSTMENTS TO EXERCISE PRICES OF THE SHARE OPTIONS AND CONVERSION PRICE OF THE CONVERTIBLE BONDS

Pursuant to the terms of the Share Option Scheme and the terms and conditions of the Convertible Bonds, the exercise prices of the Share Options and the conversion price of the Convertible Bonds may be adjusted in accordance with the Share Option Scheme and the terms and conditions of the Convertible Bonds, if any, upon the Rights Issue becoming unconditional. The Company will notify the holders of the Share Options and the Convertible Bonds the adjustments, if any, upon the Rights Issue becoming unconditional by further announcement, if necessary.

GENERAL

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders, to the extent reasonably practicable and legally permitted, for information only.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acceptance Date”	17 December, 2012, or such other date as the Company and the Underwriter may agree as the last date for acceptance of, and payment for, the Rights Shares;
“associates”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the Board of Directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“COFCO No. 108”	COFCO (BVI) No. 108 Limited, a wholly subsidiary of COFCO (HK) which directly holds 140,000,000 Shares of the Company, representing 3.47% of the Company’s total issued capital;
“COFCO (HK)”	COFCO (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, a controlling shareholder of the Company;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	China Agri-Industries Holdings Limited, a company incorporated on 18 November 2006 with limited liability under the laws of Hong Kong;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Convertible Bonds”	the convertible bond(s) due 2015 with an aggregate principal amount of HK\$3,875 million issued by Glory River Holdings Limited, a wholly owned subsidiary of the Company, under the Bond Subscription Agreement dated 21 July 2010;
“Director(s)”	director(s) of the Company;

“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares;
“Excluded Shareholders”	those Overseas Shareholders whom the Directors, consider it necessary or expedient to exclude them from the Rights Issue;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	5 November, 2012;
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Acceptance Date, which is anticipated to be on 20 December, 2012 or such later time or date as the Company and the Underwriter may agree in writing;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nominee”	a nominee independent of the Underwriter (to be selected and appointed at the Company’s discretion);
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Prospectus”	the prospectus to be despatched to Shareholders containing details of the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL and EAF;

“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company as at the Record Date;
“Record Date”	30 November, 2012 (or such other date as the Underwriter may agree in writing with the Company), being the date by reference to which entitlements to the Rights Issue are to be determined;
“Registrar”	the share registrar of the Company, being Tricor Progressive Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong;
“Rights Issue”	the proposed issue by way of rights on the basis of three Rights Shares for every ten Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents;
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being not less than 1,211,510,949 Shares and not more than 1,323,194,991 Shares;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Share Option(s)”	the share option(s) granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 12 January 2007 and amended on 25 May 2010;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$3.39 per Rights Share;
“Supplementary Prospectus”	any prospectus other than the Prospectus issued by the Company in connection with the Rights Issue;
“Undertakings”	the irrevocable undertakings dated 5 November, 2012 given by COFCO (HK), Wide Smart and COFCO No. 108 to the Company, inter alia, to subscribe or procure the subscription of the Rights Shares provisionally allotted to them, respectively;
“Underwriter”	COFCO (HK);

“Underwriting Agreement”	the underwriting agreement dated 5 November, 2012 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue;
“Underwritten Rights Shares”	not less than 510,616,506 Rights Shares and not more than 622,300,548 Rights Shares (being all the Rights Shares other than the Rights Shares that have been provisionally allotted to COFCO (HK), Wide Smart and COFCO No. 108 and/or their respective nominee(s) and undertaken to be subscribed pursuant to the Undertakings) which are fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement;
“Warranties”	the representations and warranties set out in Schedule 2 of the Underwriting Agreement; and
“Wide Smart”	Wide Smart Holdings Limited, a wholly subsidiary of COFCO (HK) which directly holds 1,922,550,331 Shares of the Company, representing 47.61% of the Company’s total issued capital.

By Order of the Board
China Agri-Industries Holdings Limited
LV Jun
Managing Director

Hong Kong, 5 November, 2012

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