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## **CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED**

## **超大現代農業（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 682)**

### **RESIGNATION OF AUDITORS**

This announcement is made by the board of directors (the **Board**) of Chaoda Modern Agriculture (Holdings) Limited (the **Company**, together with its subsidiaries, the **Group**) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the **Listing Rules**) on The Stock Exchange of Hong Kong Limited (the **Stock Exchange**) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

On 30 July 2014, Crowe Horwath (HK) CPA Limited (**Crowe Horwath**), the auditors of the Company, resigned their position as auditors of the Company.

In their letter of resignation dated 30 July 2014 to the Board and the audit committee of the Company (the **Audit Committee**), Crowe Horwath:

- (i) referred to a meeting with the Audit Committee on 15 July 2014 and their recent discussion regarding the status and limitations of scope of the audit of the Group's consolidated financial statements for the three financial years ended 30 June 2011, 2012 and 2013 (the **Financial Periods**). To mitigate the limitations of audit scope within a short period of time, including but not limited to those outstanding matters as disclosed in the Company's announcements would involve significant additional time and manpower, and the ultimate results of which heavily depend on the responses and co-operations from certain third parties and there is no guarantee that these third parties would fully co-operate with the Group and Crowe Horwath in assisting the implementation of the audit procedures; and
- (ii) stated that they came to a decision to resign after taking into account the professional risk associated with the audit and effective utilization of their internal resources.

Crowe Horwath further stated in their letter of resignation that, apart from the reasons set out in the letter of resignation, there were no circumstances connected with their resignation that they considered should be brought to the attention of the holders of securities of the Company.

The Board and the Audit Committee regret to note Crowe Horwath's decision and that Crowe Horwath were unable to complete and conclude an audit of the Group's consolidated financial statements for the Financial Periods within the tentative timetable.

The Board wishes to mention that, in the meeting requested by Crowe Horwath and held with the Audit Committee and the Company's Chief Financial Officer on 15 July 2014 (the **July Meeting**) (as referred to in the letter of resignation), Crowe Horwath advised the Audit Committee a number of outstanding matters which they considered constituted limitations of scope on their audit of the Group's consolidated financial statements for the Financial Periods. Crowe Horwath further indicated to the Audit Committee that they were unlikely to issue an unqualified audit opinion on the Company's consolidated financial statements for the Financial Periods if the limitations of scope reported could not be addressed or resolved satisfactorily.

The management of the Company has reservation over certain purported limitations of scope of audit of the Group's consolidated financial statements of Crowe Horwath. After the July Meeting, the management has started the progress of gathering relevant information to clarify, address or resolve the limitations of scope as advised by Crowe Horwath to the Audit Committee.

The Company will be seeking a new audit firm to act as the Company's auditors as soon as possible and will keep shareholders informed once an appointment is made.

## **SUSPENSION OF TRADING**

Trading in the Company's shares on the Stock Exchange will remain suspended pending the fulfilment of the conditions prescribed by the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange as disclosed in the Company's announcement dated 19 July 2013.

**By Order of the Board**  
**Chaoda Modern Agriculture (Holdings) Limited**  
**Kwok Ho**  
**Chairman**

Hong Kong, 31 July 2014

*As of the date hereof, the board of directors of the Company comprises:*

*Executive directors* : *Mr. Kwok Ho, Dr. Li Yan, Ms. Huang Xie Ying, Mr. Kuang Qiao, Mr. Chen Jun Hua and Mr. Chan Chi Po Andy*

*Non-executive director* : *Mr. Ip Chi Ming*

*Independent non-executive directors* : *Mr. Fung Chi Kin, Mr. Tam Ching Ho and Professor Lin Shun Quan*