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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)

EXERCISE OF THE TRANCHE 2 OPTION

Placing Agent



The board of Directors (“Board”) announces that the Tranche 2 Option granted by the Vendor to the Placing Agent pursuant to the Placing Agreement was exercised in full on 8 November 2001 and accordingly, an additional 97,000,000 Shares were sold and placed to not less than six independent professional, institutional and other investors. Pursuant to the exercise of the Tranche 2 Option, the Vendor will subscribe for the same number of new Shares to be allotted and issued by the Company under the Subscription Agreement, and accordingly, the Company will receive an additional net proceeds of approximately HK\$218 million.

In addition, the Board has noted the increase in the trading volume of the Company’s shares on the Stock Exchange today. The Board wishes to advise that, save for the Placing as disclosed in this announcement and the announcement dated 7 November 2001, it is not aware of any reasons for such increase.

Reference is made to the announcement of the Company dated 7 November 2001 in relation to the Placing of a maximum of 320,000,000 Shares and topping up Subscription for new Shares in such number as is equivalent to the number of Shares placed under the Placing. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the announcement of the Company dated 7 November 2001.

The Board announces that pursuant to the Tranche 2 Option granted by the Vendor to the Placing Agent under the Placing Agreement, the Placing Agent exercised in full the Tranche 2 Option on

8 November 2001 and accordingly, an additional 97,000,000 Shares were sold and placed to not less than six professional, institutional and other investors which are independent of and not connected with the Company, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules). Pursuant to the exercise in full of the Tranche 2 Option, the Vendor will subscribe for the same number of Shares placed under the Tranche 2 Placing (together with the 223,000,000 Subscription Shares subscribed by the Vendor in conjunction with the Tranche 1 Placing, representing approximately 20% of the issued share capital of the Company immediately prior to the Placing and approximately 16.667% of the issued share capital of the Company as enlarged by the Subscription) to be allotted and issued under the Subscription Agreement and accordingly, the Company will receive an additional net proceeds of approximately HK\$218 million. Such additional new proceeds together with the net proceeds raised through the allotment and issue of the 223,000,000 Subscription Shares in conjunction with the Tranche 1 Placing, are intended to be used for long-term lease of farmlands in Beijing Municipality and nearby regions, the establishment of irrigation and infrastructural facilities on the farmlands in Nanjing and Beijing Municipality; further investment in New Asia Global Limited and the establishment of retail green stalls selling organic and green vegetables and fruits and the expansion of retail network in Shanghai, as stated in the Company's announcement dated 7 November 2001.

Completion of the Subscription (inclusive of the additional 97,000,000 Subscription Shares to be allotted and issued in conjunction with the Tranche 2 Placing pursuant to the exercise in full of the Tranche 2 Option) is expected to be on or before 21 November 2001, being the 14th day from the date of the Subscription Agreement.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The following statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board has noted the increase in the trading volume of the Company's shares on the Stock Exchange today. The Board wishes to advise that, save for the Placing as disclosed in this announcement and the announcement dated 7 November 2001, it is not aware of any reasons for such increase.

The Board also confirms that, save for the Placing as disclosed in this announcement and the announcement dated 7 November 2001, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, nor is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
Chaoda Modern Agriculture (Holdings) Limited
Kwok Ho
Chairman
Hong Kong, 8 November 2001

* *For identification purposes only*

This announcement is not an offer of securities for sale in the United States, the Shares may not be offered or sold in the United States absent registration or an exemption from registration, and if any public offering of Shares is made in the United States, such offer will be by means of a prospectus that may be obtained from the Company that will contain detailed information about the Company and management, as well as financial statements.

Please also refer to the published version of this announcement in the Hong Kong iMail.