

Please also refer to the published version of this announcement in the South China Morning Post.

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



CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

<p>The board of directors of Chaoda Modern Agriculture (Holdings) Limited announces that they are not aware of any reasons with respect to the recent increases in the price and trading volume of the shares of the Company except for the possible reason stated below.</p>

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

The directors (the “Directors”) of Chaoda Modern Agriculture (Holdings) Limited (the “Company”) have noted the recent increases in the price and trading volume of the shares of the Company and wish to state that except as mentioned below, the Directors are not aware of any reason for such increases.

The Company is in discussion relating to a proposed issue of convertible bond (the “Proposed Transaction”) with a third party which is independent of and not connected with the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The discussion is at a preliminary stage and no agreement has been entered into by the Company or any of its subsidiaries. There is no assurance that the Proposed Transaction will proceed. The Company will make such further announcements in relation to the Proposed Transaction as may be required in accordance with the Listing Rules.

Please also refer to the published version of this announcement in the South China Morning Post.

The Directors also confirm that, save as aforesaid, there are no negotiations or agreements relating to transactions which are discloseable under paragraph 3 of the Listing Agreement, neither are they 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.

In the meantime, investors should exercise caution in dealing in the shares of the Company.

Made by the order of the Board of Directors of the Company, 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, 4th September, 2001