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

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

### **Disclosure pursuant to Practice Note 19**

The Directors announce that the Company entered into the Loan Agreement on 16 January, 2002 with, inter alios, a syndicate of banks. Under the Loan Agreement, it would be an event of default if Kailey ceases to be the single largest controlling shareholder (as defined in the Listing Rules) of the Company.

The directors (the “**Directors**”) of Chaoda Modern Agriculture (Holdings) Limited (the “**Company**”) announce that on 16 January, 2002, the Company entered into an agreement (the “**Loan Agreement**”) relating to a loan facility of up to US\$50,000,000 (the “**Loan**”) with, inter alios, a syndicate of banks. The Loan will be made available to the Company by way of a revolving loan facility during the 12-month period after the date of the Loan Agreement, and any principal amount of the Loan outstanding as at the date falling 12 months after the date of the Loan Agreement will automatically be converted into a term loan with a final repayment date falling 36 months after the date of the Loan Agreement. Under the Loan Agreement, it would be an event of default if Kailey Investment Limited (“**Kailey**”), the controlling shareholder of the Company holding approximately 50.31% of the issued share capital of the Company as at the date of this announcement, ceases to be the single largest controlling shareholder (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited) of the Company. If such an event of default occurs, all amounts outstanding in respect of the Loan would become immediately due and payable by the Company. By reason of such provisions in the Loan Agreement, the Loan is required to be disclosed by way of this announcement pursuant to paragraph 3.7.1 of Practice Note 19 to the Listing Rules. The Loan is not subject to shareholders’ approval and particulars of the Loan will be included in the subsequent interim and annual reports of the Company.

By order of the Board  
**Chaoda Modern Agriculture (Holdings) Limited**  
**Kwok Ho**  
*Chairman*  
Hong Kong, 16 January, 2002

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