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CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED
(the “Company”)

(Incorporated in Cayman Islands with limited liability)

(Stock code : 682)

PROPOSED ISSUE OF FIXED RATE BONDS

Further to the announcement of the Company dated 14 June 2004, the board of Directors announces that the Company has decided not to proceed with Proposed Bond Issue in view of current market conditions.

Reference is made to the announcement of the Company dated 14 June 2004 (the “Announcement”) in relation to the Proposed Bond Issue. Terms used herein shall have the same meanings as defined in the Announcement.

In view of current market conditions, the Company has decided not to proceed with the Proposed Bond Issue. No legally binding underwriting or subscription agreement has been entered into by the Company in relation to the Proposed Bond Issue.

It was stated in the Announcement that the Company intends to use the net proceeds arising from the Proposed Bond Issue to finance the expansion of the agricultural production bases of the Company and its subsidiaries and for general corporate purposes. Based on the current cash reserve of the Group, it is the view of the board of Directors that the Company’s decision not to proceed with the Proposed Bond Issue will not have any impact on the operation and business of the Group.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at the date of this announcement, the board of directors of the Company comprises seven executive directors, namely, Mr. Kwok Ho, Mr. Ip Chi Ming, Madam Chiu Na Lai, Mr. Lee Yan, Mr. Chan Hong, Ms. Wong Hip Ying and Mr. Fong Jao, and three independent non-executive directors, namely, Mr. Fung Chi Kin, Mr. Tam Ching Ho and Professor Lin Shun Quan.

By order of the board of Directors

Kwok Ho

Chairman

Hong Kong, 20 July 2004

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.