

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make 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 document.

This document appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.



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)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES



THE PLACING AND TOP-UP SUBSCRIPTION

The Vendor entered into the Placing Agreement and Subscription Agreement on 19 February 2009 pursuant to which the Placing Agent agreed to procure placees to purchase 80,402,000 Shares held by the Vendor which will be sold to selected professional, institutional or other investors at the Placing Price of HK\$5.00 per Placing Share. The Vendor has undertaken to subscribe for such number of Subscription Shares of the Company equivalent to the number of Placing Shares actually placed under the Placing Agreement at the price of HK\$5.00 per Subscription Share.

The Placing Price represents a discount of approximately 11% to the closing price of HK\$5.62 per Share as quoted on the Stock Exchange on 19 February 2009 and a discount of approximately 8% to the volume-weighted average closing price of approximately HK\$5.42 per Share for the last 10 trading days up to and including 19 February 2009. The 80,402,000 Placing Shares represent (a) approximately 3.15% of the existing issued share capital of the Company of 2,549,019,421 Shares at the date of this announcement and (b) about 3.06% of the issued share capital of the Company as enlarged after the Top-Up Subscription.

Assuming the Placing is completed in full, the net proceeds from the Top-up Subscription are estimated to be approximately HK\$391 million. It is the intention of the Directors to use these proceeds for expansion of operations such as acquisition of farmland; and general working capital.

The Placing Agent has the right to terminate this Placing Agreement if, amongst other things, there is any breach of the representations, warranties and undertakings given by the Vendor or by the Company or a force majeure event as specified in the Placing Agreement before completion while the Top-up Subscription is conditional upon (a) the completion of the Placing and (b) the Stock Exchange granting the listing of and permission to deal in, all the Subscription Shares.

PLACING AGREEMENT

Date of the Placing Agreement 19 February 2009

Vendor Kailey Investment Ltd, a company incorporated in the British Virgin Island which is owned 100% by Mr. Kwok Ho, Chairman of the Company and a Director. The Vendor currently holds 642,064,644 Shares, representing approximately 25.19% of the existing issued share capital of the Company.

Placing Agent: UBS AG

Number of Placing Shares 80,402,000 Shares, representing 3.15% of the existing issued share capital of the Company of 2,549,019,421 Shares at the date of this announcement and about 3.06% of the issued share capital of the Company as enlarged by the Top-up Subscription.

Placing Price The Placing Price of HK\$5.00 per Share represents :

- (i) a discount of approximately 11% to the closing price of HK\$5.62 per Share as quoted on the Stock Exchange on the 19 February 2009; and
- (ii) a discount of approximately 8% to the volume-weighted average closing price per Share of HK\$5.42 in the last ten consecutive trading days up to and including the 19 February 2009.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated between the Vendor, the Company and the Placing Agent. The Directors consider that the terms of the Placing and Top-Up Subscription are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing is completed in full, the net proceeds from the Top-up Subscription are estimated to be approximately HK\$391 million.

Lock Up	<p>The Vendor has undertaken to the Placing Agent that for a period of 90 days from completion of the Placing, it will not sell or otherwise dispose of any Shares beneficially owned by it unless with the prior consent of the Placing Agent.</p> <p>The Company has also undertaken to the Placing Agent that for a period of 90 days from completion of the Placing, the Company will not issue any new Shares save for the Subscription Shares, any new Shares to be issued or granted pursuant to the exercise of existing employee share options of the Company and conversion rights by holders of convertible bonds in issue as at the date of Placing, and the other exceptions set out in the Placing Agreement or with the prior consent of the Placing Agent.</p>
Independence of placees	<p>The placees to be procured by the Placing Agent under the Placing Agreement are and will be independent of and not connected with the Company, the directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or its subsidiaries or any of their respective associates.</p>
Rights	<p>The Placing Shares will be sold free of any third party rights. The placees will receive all dividends and distributions declared, made or paid on or after 20 February 2009.</p>
Termination events	<p>The Placing Agreement contains provisions granting the Placing Agent the right to terminate its placing obligations on the occurrence of certain events including force majeure, any adverse change in the general affairs or financial or trading position of the Company or its subsidiaries which is materially adverse to the success of the Placing, or any event which would have rendered the warranties in the Placing Agreement untrue or inaccurate in any material respect, in each case occurring prior to the date of completion of the Placing. For this purpose, such event includes any material adverse change in local, national or international political, economic, fiscal, financial, regulatory or stock market conditions. If the Placing Agent exercises such right to so terminate the Placing, the Placing will not proceed. Shareholders and investors are advised to exercise caution in dealing in the Shares.</p>

SUBSCRIPTION AGREEMENT

Date of the Subscription Agreement	19 February 2009
Subscriber	The Vendor, Kailey Investment Ltd, a company incorporated in the British Virgin Island which is owned 100% by Mr. Kwok Ho, Chairman of the Company and a Director. The Vendor is currently holds 642,064,644 Shares, representing approximately 25.19% of the existing issued share capital of the Company.
Subscription Shares	80,402,000 Shares of the Company, which is equivalent to the number of Placing Shares, actually sold by the Vendor under the Placing Agreement.
Subscription price	HK\$5.00 per Share, which is equivalent to the Placing Price
Condition of Subscription	<p>The subscription by the Vendor of the Subscription Shares is conditional upon:</p> <ul style="list-style-type: none">(i) the Placing Agreement not being terminated and completion of the Placing in accordance with the terms of the Placing Agreement; and(ii) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares. <p>Completion of the Top-up Subscription is expected to take place on or before 26 February 2009.</p> <p>The above conditions must be satisfied within 14 days from the date of the Subscription Agreement, or such other date as the parties may agree.</p>
Ranking	The Subscription Shares, when issued and fully paid, will rank equally in all respects among themselves and with all the Shares in issue as at the date of the allotment and issue of the Subscription Shares.

GENERAL MANDATE

By a resolution of the shareholders of the Company passed at the annual general meeting held on 10 December 2008, the Company granted a general mandate to the Directors to allot and issue up to 486,993,605 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement,

the Company is entitled to issue up to 486,993,605 Shares pursuant to such general mandate. The Subscription Shares will be issued under the general mandate.

USE OF PROCEEDS FROM THE PLACING AND TOP-UP SUBSCRIPTION

The net proceeds from the Placing and Top-Up Subscription is approximately HK\$391 million. It is the intention of the Directors to use these proceeds for expansion of operations such as acquisition of farmland; and for general working capital.

The Company has not raised funds by way of any issue of equity securities or convertible bonds in the 12 months immediately preceding the date of the Placing Agreement and Subscription Agreement.

EFFECT ON THE SHARE CAPITAL

The following table summarizes the shareholding structure of the Company as at the date of this announcement and as a result of the issue of the Subscription Shares:

	As at the date of this announcement		Immediately after completion of the Placing but before the Top-up Subscription		Immediately after completion of the Placing and the Top-up Subscription	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
The Vendor	642,064,644	25.19%	561,662,644	22.03%	642,064,644	24.42%
Kwok Ho	728,000	0.03%	728,000	0.03%	728,000	0.03%
Placees	-	-	80,402,000	3.16%	80,402,000	3.06%
Public shareholders	<u>1,906,226,777</u>	<u>74.78%</u>	<u>1,906,226,777</u>	<u>74.78%</u>	<u>1,906,226,777</u>	<u>72.49%</u>
	<u>2,549,019,421</u>	<u>100%</u>	<u>2,549,019,421</u>	<u>100%</u>	<u>2,629,421,421</u>	<u>100%</u>

REASONS FOR THE PLACING OF EXISTING SHARES AND THE TOP-UP SUBSCRIPTION FOR SUBSCRIPTION SHARES

The Board considers that the Placing and the Top-up Subscription represents an opportunity to raise additional funds for the Group and the terms of the Placing and the Top-up Subscription are fair and reasonable. The Directors consider that the Placing and the Top-up Subscription will broaden the shareholder base and the capital base of the Company.

GENERAL

The Group is a leading modern agricultural enterprise in the PRC engaged in the growing and sale of crops and the breeding and sales of livestock in the PRC, with substantially all of its assets and operations based in the PRC.

The Shares are listed on the Stock Exchange and application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Regarding the Company's zero coupon convertible bonds with a maturity date of 8 May 2011 (the "Bonds"), at the option of the bondholders, they can, in accordance with the terms and

conditions of the Bonds, exercise their right to require the Company to redeem all or some of the Bonds on 8 May 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	: board of directors of the Company
“Company”	: Chaoda Modern Agriculture (Holdings) Limited, an exempted company incorporated in the Cayman Islands with limited liabilities whose shares are listed on the Hong Kong Stock Exchange
“Completion Date of Placing”	: 23 February 2009 or such later date as the Company and the Placing Agent may agree
“Directors”	: directors of the Company
“Group”	: the Company and its subsidiaries
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Kailey” or “Vendor”	: Kailey Investment Limited, a company incorporated in the British Virgin Islands with limited liability which is owned 100% by Mr. Kwok Ho, the Chairman of the Company and a Director
“Listing Rules”	: the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Placing Agent”	: UBS AG
“Placing Agreement”	: the placing agreement dated 19 February 2009 between the Vendor, the Company and the Placing Agent relating to the placing of the Placing Shares
“Placing Price”	: HK\$5.00 per Share
“Placing Shares”	: 80,402,000 Shares to be placed under the Placing Agreement
“PRC”	: The People’s Republic of China

“Shares”	: ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	: the subscription agreement dated 19 February 2009 between the Company and Kailey relating to the subscription of the Subscription Shares
“Subscription Shares”	: 80,402,000 new Shares to be subscribed by Kailey under the Top-up Subscription
“Top-up Subscription”	: the conditional subscription by Kailey of the Subscription Shares pursuant to the Subscription Agreement
“%”	: per cent.

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

Hong Kong, 19 February 2009

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

Executive directors: Mr. Kwok Ho, Mr. Ip Chi Ming, Dr. Lee Yan, Ms. Wong Hip Ying, Mr. Fong Jao, Mr. Chen Jun Hua, Mr. Chan Chi Po, Andy; and

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