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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

RESULTS

The board of directors (the "Board") of Chaoda Modern Agriculture (Holdings) Limited (the "Company") is pleased to present the interim results of the Company and its subsidiaries (collectively referred to as the "Group" or "Chaoda") for the six months ended 31 December 2012. The consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 31 December 2012 and the consolidated statement of financial position of the Group as at 31 December 2012, together with the selected explanatory notes, are unaudited and condensed, which have been reviewed by the Company's Audit Committee and the Company's auditors, Elite Partners CPA Limited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 - Unaudited

	Notes	Six months ended 31 December 2012 *RMB'000*	2011 *RMB'000*
Turnover	3	**1,140,922**	1,708,695
Cost of sales		**(1,469,799)**	(1,811,050)
Gross loss		**(328,877)**	(102,355)
Other revenues		**37,795**	78,278
Gain/(Loss) arising from changes in fair value less costs to sell of biological assets	9	**377,072**	(2,487,993)
Selling and distribution expenses		**(288,454)**	(433,758)
General and administrative expenses		**(74,815)**	(81,849)
Research expenses		**(7,461)**	(8,012)
Other operating expenses		**(726,974)**	(164,356)
Loss from operations		**(1,011,714)**	(3,200,045)
Finance costs	5(a)	**(190)**	(50,829)
Loss on disposal of available-for-sale investments		**-**	(86,205)
Impairment loss on available-for-sale investments		**(23,474)**	(79,620)
Share of results of associates		**557**	241
Loss before income tax	5	**(1,034,821)**	(3,416,458)
Income tax expense	6	**(28)**	(38)
Loss for the period		**(1,034,849)**	(3,416,496)
Other comprehensive (expense)/income, including reclassification adjustments and net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange loss on translation of financial statements of foreign operations		**(8,230)**	(14,128)
Change in fair value of available-for-sale investments		**(38,362)**	(160,695)
Release upon disposal of available-for sale investments		**-**	(123,299)
Release upon impairment of available-for-sale investments		**23,474**	79,620
Other comprehensive expense for the period, including reclassification adjustments and net of income tax		**(23,118)**	(218,502)
Total comprehensive expense for the period		**(1,057,967)**	(3,634,998)
Loss for the period attributable to:			
Owners of the Company		**(1,035,799)**	(3,415,281)
Non-controlling interests		**950**	(1,215)
		(1,034,849)	(3,416,496)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(1,057,742)**	(3,632,430)
Non-controlling interests		**(225)**	(2,568)
		(1,057,967)	(3,634,998)
Loss per share for loss attributable to the owners of the Company during the period			
– Basic	8(a)	**RMB(0.31)**	RMB(1.04)
– Diluted	8(b)	**RMB(0.31)**	RMB(1.04)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 - Unaudited

	Notes	**31 December 2012** *RMB'000*	30 June 2012 *RMB'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,584,517**	8,932,838
Construction-in-progress		**49,601**	82,115
Prepaid premium for land leases		**5,872,220**	6,379,888
Biological assets	9	**2,015,804**	1,814,608
Available-for-sale investments		**219,731**	251,626
Deferred development costs		**6,650**	9,040
Deferred expenditure		**480,533**	578,653
Intangible assets		**477,065**	481,971
Interests in associates		**8,834**	8,281
		17,714,955	18,539,020
Current assets			
Prepaid premium for land leases		**161,120**	161,558
Biological assets	9	**436,082**	500,983
Inventories		**55,374**	54,663
Trade receivables	10	**42,843**	53,189
Other receivables, deposits and prepayments		**647,586**	782,204
Cash and cash equivalents		**490,905**	520,166
		1,833,910	2,072,763
Current liabilities			
Trade payables	11	**11,751**	11,764
Other payables and accruals		**118,191**	123,731
		129,942	135,495
Net current assets		**1,703,968**	1,937,268
Total assets less current liabilities		**19,418,923**	20,476,288
Non-current liabilities			
Deferred tax liabilities		**20,655**	20,655
Net assets		**19,398,268**	20,455,633
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**332,787**	332,787
Reserves		**18,922,330**	19,979,470
		19,255,117	20,312,257
Non-controlling interests		**143,151**	143,376
Total equity		**19,398,268**	20,455,633

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012 - Unaudited

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2012 (the "Interim Financial Report") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2012 (the "2012 Annual Financial Statements").

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2012 Annual Financial Statements, except for the adoption of the new, amended or revised Hong Kong Financial Reporting Standards ("HKFRSs") (which collectively include all applicable individual Hong Kong Financial Reporting Standard ("HKFRS"), Hong Kong Accounting Standard ("HKAS") and Interpretation issued by the HKICPA) as disclosed in Note 2.

The Interim Financial Report is unaudited but has been reviewed by Elite Partners CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

2. ADOPTION OF NEW, AMENDED OR REVISED HKFRSs

In the current interim period, the Group has applied, for the first time, all the new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 July 2012. Except as explained below, the impact of the new HKFRSs on the Interim Financial Report is not significant.

Amendments to HKAS 1 – Presentation of Items of Other Comprehensive Income
The Group has applied the amendments to HKAS 1 – Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income either in a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early adopted certain new standards, amendments to standards and interpretations that have been issued at the time of preparing the Interim Financial Report but are not yet effective. The directors of the Company (the "Directors") anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the period beginning after the effective date of the pronouncements. The Directors are also currently assessing the impact of these new standards, amendments to standards and interpretations but are not yet in a position to state whether they would have material impact on the results and the financial position of the Group.

3. TURNOVER

The principal activities of the Group are the growing and sales of crops, and breeding and sales of livestock.

Turnover represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Sales of crops	**1,123,615**	1,690,551
Sales of livestock	**17,307**	18,144
	1,140,922	1,708,695

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the People's Republic of China ("PRC") market. However, the Group's executive directors considered that over 90% of the Group's revenue, operating results and assets during the six months ended 31 December 2012 and 2011 were mainly derived from its growing and sales of crops. Consequently, no operating segment analysis is presented.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC as its country of domicile. Over 90% of the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Bank and finance charges	**190**	97
Effective interest on convertible bonds	**-**	50,732
	190	50,829

(b) Staff costs

	Six months ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**515,350**	593,703
Employee share option benefits	**602**	1,720
Retirement benefit costs	**3,212**	2,736
	519,164	598,159

(c) Other items

	Six months ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Interest income	**(2,233)**	(31,893)
Scrip dividend income from available-for-sale investments	**(9,028)**	(16,518)
Amortisation of deferred development costs	**2,390**	3,535
Amortisation of deferred expenditure, net of amount capitalised	**104,196**	93,126
Amortisation of prepaid premium for land leases, net of amount capitalised	**58,242**	60,510
Cost of inventories sold	**1,469,799**	1,811,050
Depreciation of property, plant and equipment, net of amount capitalised	**361,212**	251,935
Operating lease expenses		
– Land and buildings	**148,328**	149,694
– Motor vehicles	**-**	17
Loss on disposals and write off of property, plant and equipment	**44,061**	53,364
Loss on early termination of land leases	**45,331**	-
Agricultural produce written off	**268,096**	-
Biological assets written off	**167,964**	-

6. INCOME TAX EXPENSE

The amount of income tax expense represents:

	Six months ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
Current tax		
– PRC income tax *(Note (a))*	**28**	38
– Hong Kong profits tax *(Note (b))*	**-**	-
	28	38

Notes:

(a) According to the PRC tax law and its interpretation rules, enterprises that engage in qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption or half reduction of enterprise income tax on profits derived from such business. Fuzhou Chaoda Agriculture Development Company Limited, the Company's principal subsidiary, and other PRC subsidiaries engaged in qualifying agricultural business, which include growing and sales of crops and breeding and sales of livestock, are entitled to full exemption of enterprise income tax.

The enterprise income tax rate of other PRC subsidiaries of the Company not engaged in qualifying agricultural business is 25% for the six months ended 31 December 2012 and 2011.

(b) No provision for Hong Kong profits tax has been made as there are no estimated assessable profits for the Company and its subsidiaries operating in Hong Kong for the six months ended 31 December 2012 and 2011.

7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 31 December 2012 and 2011.

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of RMB1,035,799,000 (Six months ended 31 December 2011: RMB3,415,281,000) and the weighted average number of 3,291,302,000 (Six months ended 31 December 2011: 3,291,302,000) ordinary shares in issue during the period.

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to the owners of the Company of RMB1,035,799,000 (Six months ended 31 December 2011: RMB3,415,281,000) and the weighted average number of 3,291,302,000 (Six months ended 31 December 2011: 3,291,302,000) ordinary shares. The computation of diluted loss per share does not assume the conversion of the Company's share options, convertible bonds and call options outstanding since their exercise would result in a decrease in loss per share for the six months ended 31 December 2012 and 2011.

9. BIOLOGICAL ASSETS

	Fruit trees and tea trees *RMB'000*	Livestock *RMB'000*	Vegetables *RMB'000*	Trees in plantation forest *RMB'000*	Total *RMB'000*
At 1 July 2011	2,030,262	51,691	1,247,676	1,143,852	4,473,481
Additions	342,241	76,949	3,159,473	131,288	3,709,951
Decrease due to harvest or sales	(240,302)	(135,905)	(3,180,201)	-	(3,556,408)
(Loss)/Gain arising from changes in fair value less costs to sell	(1,256,805)	59,716	(725,965)	(388,379)	(2,311,433)
At 30 June 2012 and 1 July 2012	875,396	52,451	500,983	886,761	2,315,591
Additions	140,353	21,400	1,274,603	187,016	1,623,372
Decrease due to harvest or sales	(227,527)	(38,562)	(1,430,096)	-	(1,696,185)
Written off	(167,964)	-	-	-	(167,964)
Gain/(Loss) arising from changes in fair value less costs to sell	305,976	18,005	90,592	(37,501)	377,072
At 31 December 2012	**926,234**	**53,294**	**436,082**	**1,036,276**	**2,451,886**

Biological assets as at 31 December 2012 and 30 June 2012 are stated at fair values less costs to sell and are analysed as follows:

	Fruit trees and tea trees ***RMB'000***	**Livestock** ***RMB'000***	**Vegetables** ***RMB'000***	**Trees in plantation forest** ***RMB'000***	**31 December 2012 Total** ***RMB'000***	30 June 2012 Total *RMB'000*
Non-current portion	**926,234**	**53,294**	**-**	**1,036,276**	**2,015,804**	1,814,608
Current portion	**-**	**-**	**436,082**	**-**	**436,082**	500,983
	926,234	**53,294**	**436,082**	**1,036,276**	**2,451,886**	2,315,591

The fair values of the biological assets are determined by the Directors with reference to the methodologies and assumptions adopted in the valuation for the year ended 30 June 2012.

10. TRADE RECEIVABLES

The Group's trading terms for its local wholesale and retail sales are mainly cash on delivery whereas local sales to institutional customers and export trading companies are mainly on credit. The credit period is generally for a period from one month to three months depending on customers' credit worthiness.

Ageing analysis of trade receivables (net of allowance for doubtful debts) is as follows:

	31 December 2012 ***RMB'000***	30 June 2012 *RMB'000*
0 – 1 month	**23,390**	35,602
1 – 3 months	**16,497**	8,679
Over 3 months	**2,956**	8,908
	42,843	53,189

11. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

	31 December 2012	30 June 2012
	RMB'000	*RMB'000*
0 – 1 month	**2,186**	5,150
1 – 3 months	**2,908**	783
Over 3 months	**6,657**	5,831
	11,751	11,764

12. EVENTS AFTER THE REPORTING PERIOD

(a) Disposal of property, plant and equipment

Subsequent to the end of the reporting period, certain land leases for lands being occupied by the Group had been terminated and the related property, plant and equipment belongs to these terminated land leases with net carrying value of approximately RMB1,447,851,000 were disposed of accordingly.

(b) Lapse of call options

In September 2010, the Company had received cash premium totalling US$6,004,000 (equivalent to approximately RMB40,278,000) as the consideration for issuing the call options, which conferred the holders of the call options the right, from time to time during the exercise period from the first date of the conversion period of the convertible bonds to 17 August 2013, to require the Company to issue up to a maximum of 103,300,000 ordinary shares (subject to adjustment) of HK$0.1 each of the Company at an agreed strike price of HK$7.9065 per share (subject to adjustment). The unexercised call options became lapsed on the expiry of the exercise period.

13. APPROVAL OF INTERIM FINANCIAL REPORT

The Interim Financial Report was approved by the Board on 9 January 2015.

FINANCIAL REVIEW

During the financial period under review, the Group continued to face a challenging and complex business environment due to the events leading to the suspension of trading in the Company's shares (the "Trading") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As a result, the Group's overall business and financial performance for the six months ended 31 December 2012 had been negatively affected and were far from satisfactory with approximately 96% (31 December 2011: 98%) of crops sales of the Group came from China. Such events have dampened effect on the confidence of both institutional and indirect export customers which reduced in demand for the Group's produces in the China's markets from 10% to 2% of crop sales, however, sales to wholesale markets increased from 90% to 98%. The sales volume for the crops sold in the markets decreased at approximately 887,000 tonnes (31 December 2011: 1.402 million tonnes) and the average selling price for crops sold in the China's markets (the "Average Selling Price") slightly increased from RMB1.18 per kilogram to RMB1.21 per kilogram. As such, the turnover of the Group was down to RMB1,141 million (31 December 2011: RMB1,709 million) that resulted in a gross loss of RMB329 million (31 December 2011: RMB102 million).

A gain of RMB377 million was caused by changes in fair value less costs to sell of biological assets under the valuation. In adherence to prudent financial management and through reasonable control of operating costs, general and administrative expenses reduced from RMB82 million in the corresponding period of previous year to about RMB75 million, representing a drop of 9%. Selling and distribution expenses fell by 34% to RMB288 million. On the other hand, other operating expenses increased from RMB164 million to RMB 727 million, it was mainly due to agricultural produces and biological assets written off. Nevertheless, the loss from operations of the Group for the financial period under review was narrowed down from RMB3,200 million to RMB1,012 million.

AGRICULTURAL LAND

As at 31 December 2012, the production base area of the Group's core business, including vegetable land and fruit garden, amounted to 774,623 mu (51,642 hectares), decreased by 12% when compared with 880,573 mu (58,705 hectares) as at 31 December 2011. It also recorded a decrease of 2% in production base area when compared with 788,573 mu (52,572 hectares) as at 30 June 2012.

The weighted average production base area for vegetables as at 31 December 2012 decreased by 14% to 562,320 mu (37,488 hectares) when compared with 656,820 mu (43,788 hectares) as at 31 December 2011. It also represented a decrease of 12% in weighted average production base area for vegetables when compared with 640,237 mu (42,682 hectares) as at 30 June 2012.

BUSINESS OVERVIEW

During the financial period under review, by grasping favourable opportunities and striking aside those encumbrances, the Group timely returned certain leasehold farmlands to the PRC government. Meanwhile, the Group continuously adhered to prudent investment policies, that was, apart from minimal upkeep and maintenance for indispensable production infrastructure, there were no large scale investments and new constructions. By so doing, the Group was and is capable of satisfying the production needs while reducing its financial burden.

The Group actively focused on its core staff. It was of utmost importance to stabilise the morale and spirit of our staff, especially the frontline staff, to ensure the quality as well as quantity of the output from our production bases. According to the market expectation, the Group took an active part in scaling down its cultivation area to relieve market pressure.

The Board realises that, until the Trading is resumed and market confidence is regained, the pressure caused by sluggish sales will remain or intensify. The Group took a decisive measure to adopt "maintaining brand, price and reputation" as its marketing strategy, stepping up efforts to improve market confidence and stabilize market expectation.

LIQUIDITY AND FINANCIAL RESOURCES

During the financial period under review, net cash used in operating activities of the Group amounted to RMB238 million. As at 31 December 2012, the Group's cash and cash equivalents amounted to RMB491 million (30 June 2012: RMB520 million). The majority of the Group's operating transactions were settled in RMB. The effect of exchange rate fluctuations was relatively immaterial to the Group.

As at 31 December 2012, the total equity of the Group (including non-controlling interests) amounted to RMB19,398 million (30 June 2012: RMB20,456 million). The Group did not have any debts outstanding as at 31 December 2012. The current ratio (dividing total current assets by total current liabilities) was 14 times (30 June 2012: 15 times).

The Group did not have any material contingent liabilities as at 31 December 2012 and 30 June 2012.

OUTLOOK

Being an agricultural leading enterprise, Chaoda is fully confident of overcoming the existing challenges and continually generating further shareholders' value and undergoing further development for its shareholders. On top of that, Chaoda will also strive to be a pioneer in the industry and assume leadership in agricultural development forward and the pursuit of sustainable growth of rural economy. Through industrial development, setting up of industry standard and brand building, among others, the Group aims to align the interest of the farmers with that of the corporations and establish a model with common risk exposure and mutual benefit, thereby realizing safe and reliable food supply in the country and society and contributing to the assurance of food safety and social stability of the State.

The Board remains positive at all times notwithstanding the challenges that come its way during the period of turbulence. The Board will continue exhaust every means to mitigate the negative impact and adapt in a positive manner by proactively and strategically implemented measures to control the risks, and realize and enhance core strengths of the Group for corporate development to sustain and thrive. Last but not least, the Board will spare no efforts to resume the Trading.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2012, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Board is committed to maintaining good corporate governance practices and high standards of business ethics. The Board believes that good corporate governance provides a framework for effective management, achieving business goals and maximising long term value to shareholders.

Throughout the financial period under review, the Company had applied the principles of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") and complied with the code provisions and certain recommended best practices set out in the CG Code, except for the deviations as stated below:

(i) Code provision A.2.1 of the CG Code

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be segregated. The Board considers that with his profound knowledge and expertise in agricultural business, Mr. Kwok Ho, being the Chairman and the Chief Executive Officer of the Company, provides a strong and consistent leadership to formulate efficient strategies, to implement prompt decisions and to complete effective business plans of the Group. It is in the best interests of the Company that Mr. Kwok Ho shall continue his dual capacity as the Chairman and the Chief Executive Officer of the Company.

(ii) Code provisions A.1.8 and A.5.1 of the CG Code

Under code provision A.1.8 of the CG Code, appropriate insurance cover in respect of legal action against directors of a listed issuer should be arranged. Under code provision A.5.1 of the CG Code, a nomination committee should be established with specific written terms of reference (code provision A.5.2), and the same should be make available on the websites of the Stock Exchange and the listed issuer (code provision A.5.3).

The Board has considered the merits of these code provisions. However, during the adverse period of time, the Board is of the view that the fulfilment of the conditions prescribed by the Stock Exchange for the resumption of the Trading (the "Resumption") is regarded as the top priority of the Company. Besides, until the Resumption is achieved, the Board is of the view that the Directors may be subject to such insurance premium which is much higher than necessary, reasonably or normally charged as insurance companies may tend to have reservation in accepting insurance coverage for directors of a listed company whose shares are suspended from trading for whatever cause or reasons. The taking out of insurance policy under this situation may not be in the overall interests of the Company and its shareholders.

During the financial period under review, no insurance cover was therefore arranged in respect of legal action against the Directors; and the Board had not established a nomination committee in compliance with code provision A.5.1 of the CG Code (as the Board considers that it was and is capable to perform the function of a nomination committee as designed under the CG Code without delegation after due consideration and assessment).

The Board will identify potential insurance company(ies) to arrange appropriate insurance cover in respect of legal action against its Directors and officers in due course after the Resumption in compliance with code provision A.1.8 of the CG Code and from time to time review the necessity of setting up a nomination committee of the Board.

The Board will constantly review its corporate governance policies and adopt such practices and procedures as considered by it to be appropriate and in the interests of the Company and its shareholders at appropriate time.

AUDIT COMMITTEE

During the six months ended 31 December 2012, the Audit Committee consisted of three members, all of whom were independent non-executive Directors. Mr. Tam Ching Ho was the Chairman and two other members were Mr. Fung Chi Kin and Ms. Luan Yue Wen.

Following the retirement of Ms. Luan Yue Wen after the conclusion of the annual general meeting of the Company held on 30 December 2013, the number of both the independent non-executive Directors and members of the Audit Committee fell below the minimum requirements respectively stipulated under Rules 3.10A and 3.21 of the Listing Rules.

As at the date of this announcement, the Company is in compliance with the minimum requirement as stipulated under Rules 3.10A and 3.21 of the Listing Rules.

The Audit Committee (comprising Mr. Tam Ching Ho (the Chairman), Mr. Fung Chi Kin and Mr. Chan Yik Pun as at the date of this announcement) have reviewed the unaudited interim results of the Group for the six months ended 31 December 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, all Directors confirmed that they had complied with the Model Code throughout the financial period under review.

SUSPENSION OF TRADING

Trading will remain suspended pending the fulfilment of the conditions prescribed by the Stock Exchange for the Resumption as disclosed in the Company's announcement dated 19 July 2013.

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

Hong Kong, 9 January 2015

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

Executive directors	:	*Mr. Kwok Ho, Dr. Li Yan, Ms. Huang Xie Ying, Mr. Kuang Qiao and Mr. Chen Jun Hua*
Non-executive director	:	*Mr. Ip Chi Ming*
Independent non-executive directors	:	*Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin Shun Quan and Mr. Chan Yik Pun*