

This announcement is not an offer of securities for sale in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (“United States”) and/or other jurisdiction nor is it an offer of, or invitation to subscribe for, securities in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”). The securities may not be offered or sold in the United States or Hong Kong absent registration or an exemption from registration. Neither this announcement nor any copy of it may be taken or transmitted into the United States, Canada, or Japan or distributed, directly or indirectly, in the United States or Canada, or distributed or redistributed in Japan or to any resident thereof.



CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED

(the “Company”)

(Incorporated in Cayman Islands with limited liability)

(Stock code : 682)

DISCLOSURE PURSUANT TO RULE 13.09 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

PROPOSED ISSUE OF FIXED RATE GUARANTEED SENIOR NOTES

The Company proposes to issue fixed rate guaranteed senior notes with an expected aggregate amount of US\$200 million (the “**Proposed Note Issue**”). The Company expects to appoint three international investment banks as joint bookrunners and lead managers (the “**Joint Lead Managers**”) of the Proposed Note Issue.

As at the date of this announcement, no legally binding underwriting, subscription or purchase agreement has been entered into by the Company in relation to the Proposed Note Issue. Material terms relating to the Proposed Note Issue including, but not limited, to the pricing and interest rate of the notes to be issued by the Company (the “**Notes**”) have yet to be determined by the Company and the Joint Lead Managers.

Approval in-principle has been obtained by the Company for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the “**Singapore Exchange**”). No application will be made for the listing of, or permission to deal in, the Notes on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. The Notes sold to qualified institutional buyers are expected to be eligible for trading in The PORTAL Market, a market operated by the Nasdaq Stock Market, Inc. (“**PORTAL**”).

Proposed Note Issue

The Company proposes to issue fixed rate notes with an aggregate principal amount of US\$200 million. The Notes are expected to have a term of five years from their date of issue and to have a minimum denomination of US\$1,000 and integral multiples thereof. The Company expects to appoint three international investment banks as the Joint Lead Managers of the Proposed Note Issue.

As at the date of this announcement, no legally binding underwriting, subscription or purchase agreement has been entered into by the Company in relation to the Proposed Note Issue. Material terms relating to the Proposed Note Issue including, but not limited to, the pricing and interest rate of the Notes have yet to be determined by the Company and the Joint Lead Managers. The Company intends to use the net proceeds arising from the Proposed Note Issue to finance the expansion of the agricultural production bases of the Company and its subsidiaries and for general corporate purposes.

Approval in-principle has been obtained by the Company for the listing and quotation of the Notes on the Singapore Exchange. Such approval and the admission of the Notes to the Official List of the Singapore Exchange is not to be taken as an indication of the merits of the Company or the Notes. No application will be made for the listing of, or permission to deal in, the Notes on the Hong Kong Stock Exchange. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. The Notes sold to qualified institutional buyers are expected to be eligible for trading in the PORTAL.

One of the Joint Lead Managers, as stabilising manager, may carry out stabilisation activities in respect of the Notes subject to applicable laws and regulations.

A further announcement will be issued by the Company upon signing of the underwriting, subscription or purchase agreement in relation to the Proposed Note Issue and the fixing of the material terms.

Warning : As the Proposed Note Issue may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

General

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

As at the date of this announcement, the board of directors of the Company (the “**Board**”) comprises six executive directors, namely, Mr. Kwok Ho, Mr. Ip Chi Ming, Dr. Lee Yan, Mr. Chan Hong, Ms. Wong Hip Ying and Mr. Fong Jao, and four independent non-executive directors, namely, Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin Shun Quan and Madam Luan Yue Wen.

By order of the Board
Kwok Ho
Chairman

Hong Kong, 19 January, 2005.

In this announcement, “US\$” refers to United States dollars, the lawful currency of the United States.

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