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 2009

HIGHLIGHTS

Turnover increased by 13% to RMB3,237 million.

Gross profit increased by 9% to RMB2,069 million.

Profit from operations increased by 20% to RMB1,363 million.

Profit for the period attributable to owners of the Company (excluding major non-cash flow items) increased by 17% to RMB1,548 million.

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 the "Group" or "Chaoda") for the six months ended 31 December 2009. The consolidated statement of comprehensive income of the Group for the six months ended 31 December 2009 and the consolidated statement of financial position of the Group as at 31 December 2009, 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, Grant Thornton.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2009 – Unaudited

	Notes	Six months ended 31 December 2009 RMB'000	2008 RMB'000
Turnover	3	**3,236,920**	2,867,290
Cost of sales		**(1,168,341)**	(975,666)
Gross profit		**2,068,579**	1,891,624
Other revenues		**21,934**	35,926
Loss arising from changes in fair value less estimated point-of-sale costs of biological assets		**(184,182)**	(209,886)
Selling and distribution expenses		**(344,086)**	(325,553)
General and administrative expenses		**(74,001)**	(134,478)
Research expenses		**(16,025)**	(27,559)
Other operating expenses		**(109,098)**	(90,882)
Profit from operations		**1,363,121**	1,139,192
Finance costs	*5(a)*	**(65,380)**	(65,215)
Loss on deemed disposal of interest in an associate		**(3,297)**	-
Gain on deemed acquisition of additional interest in an associate		**1,678**	5,856
Loss on partial disposal of an associate		**(10,724)**	-
Share of net profit of associates		**77,855**	49,263
Change in fair value of convertible bonds		**-**	782,345
Profit before income tax	*5*	**1,363,253**	1,911,441
Income tax expense	*6*	**(144)**	(15,551)
Profit for the period		**1,363,109**	1,895,890
Other comprehensive expense			
Currency translation differences		**-**	(673)
Fair value loss on available-for-sale investments		**-**	(92,136)
Other comprehensive expense for the period		**-**	(92,809)
Total comprehensive income for the period		**1,363,109**	1,803,081
Profit for the period attributable to:			
Owners of the Company		**1,364,054**	1,896,653
Non-controlling interests		**(945)**	(763)
		1,363,109	1,895,890
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,364,054**	1,803,844
Non-controlling interests		**(945)**	(763)
		1,363,109	1,803,081
Earnings per share for profit attributable to the owners of the Company during the period			
- Basic	*8(a)*	**RMB0.45**	RMB0.75
- Diluted	*8(b)*	**RMB0.44**	RMB0.39

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2009 – Unaudited

	Notes	31 December 2009 RMB'000	30 June 2009 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**7,101,010**	4,814,331
Construction-in-progress		**255,928**	932,997
Prepaid premium for land leases		**4,652,222**	4,808,876
Biological assets		**1,999,719**	1,769,100
Deferred development costs		**22,075**	26,980
Deferred expenditure		**279,854**	257,632
Interests in associates		**897,840**	974,007
		15,208,648	13,583,923
Current assets			
Prepaid premium for land leases		**128,728**	126,911
Biological assets		**626,223**	953,427
Inventories		**43,287**	16,470
Trade receivables	*9*	**275,862**	381,201
Other receivables, deposits and prepayments		**499,733**	379,371
Cash and cash equivalents		**3,011,602**	3,106,713
		4,585,435	4,964,093
Current liabilities			
Amounts due to a related company		**44,605**	60,512
Trade payables	*10*	**11,685**	5,959
Other payables and accruals		**105,557**	136,976
Bank loans		**17,000**	24,000
Guaranteed senior notes	*11*	**1,544,139**	1,542,571
		1,722,986	1,770,018
Net current assets		**2,862,449**	3,194,075
Total assets less current liabilities		**18,071,097**	16,777,998
Non-current liabilities			
Deferred tax liabilities		**20,655**	20,655
Net assets		**18,050,442**	16,757,343
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**311,169**	309,623
Reserves		**17,736,664**	16,444,166
		18,047,833	16,753,789
Non-controlling interests		**2,609**	3,554
Total equity		**18,050,442**	16,757,343

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 December 2009 – Unaudited

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of Chaoda Modern Agriculture (Holdings) Limited and its subsidiaries for the six months ended 31 December 2009 (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 "Stock Exchange").

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 2009 (the "2009 Annual Financial Statements").

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2009 Annual Financial Statements, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as disclosed in note 2 to the Interim Financial Report.

The Interim Financial Report is unaudited but has been reviewed by Grant Thornton 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 period, the Group has applied for the first time the following new, amended or revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 July 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment - Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
Various	Annual Improvements to HKFRSs 2008

2. ADOPTION OF NEW, AMENDED OR REVISED HKFRSs *(Continued)*

Other than as noted below, the adoption of these new, amended or revised HKFRSs has had no material impact on the Interim Financial Report.

HKAS 1 (Revised) - Presentation of Financial Statements

The adoption of HKAS 1 (Revised) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. A third statement of financial position as at the beginning of the earliest comparative period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. It also gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example exchange differences arising on the translation of foreign operations. HKAS 1 also affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard.

HKAS 27 (Amendments) - Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from a subsidiary, jointly controlled entity or associate in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries, jointly controlled entity or associates (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The new accounting policy has been applied prospectively as required by these amendments to HKAS 27 and therefore no comparatives have been restated.

HKFRS 8 - Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

HKFRS 3 - Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree.

2. ADOPTION OF NEW, AMENDED OR REVISED HKFRSs *(Continued)*

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 interpretation 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	
	2009	2008
	RMB'000	*RMB'000*
Sales of crops	**3,212,991**	2,842,129
Sales of livestock	**23,929**	25,161
	3,236,920	2,867,290

4. SEGMENT INFORMATION

The Group has identified its operating segment and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation and review of performance.

The Group's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business segment that offers different products in the Peoples Republic of China ("PRC") market. However the Group's executive directors considered that over 90% of the Group's revenue and contribution to profit during the six months ended 31 December 2009 and 2008 were mainly derived from its growing and sales of crops. Also the measurement policies the Group adopted for segment reporting under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, therefore segment disclosures are not 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, expenses, results, assets and liabilities and capital expenditures are attributable to a single geographical region, which is the PRC.

5. PROFIT BEFORE INCOME TAX

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

(a) Finance costs

	Six months ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Interest on the guaranteed senior notes issued	**60,548**	60,412
Bank and finance charges	**4,832**	4,803
	65,380	65,215

(b) Staff costs

	Six months ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**311,359**	289,595
Employee share option benefits	**6,919**	67,848
Retirement benefit costs	**2,707**	2,392
	320,985	359,835

(c) Other items

	Six months ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Interest income	**(3,778)**	(13,315)
Amortisation of deferred development costs	**5,405**	4,905
Amortisation of deferred expenditure, net of amount capitalised	**39,839**	39,243
Amortisation of prepaid premium for land leases, net of amount capitalised	**41,346**	41,887
Cost of inventories sold	**1,168,341**	975,666
Depreciation of property, plant and equipment, net of amount capitalised	**143,045**	114,353
Exchange gain, net	**(1,500)**	(547)
Operating lease expenses		
- land and buildings	**93,738**	86,530
- motor vehicles	**51**	51
Loss on disposals and write off of property, plant and equipment	**26,342**	1,271

6. INCOME TAX EXPENSE

The amount of income tax expense represents:

	Notes	Six months ended 31 December **2009** *RMB'000*	2008 *RMB'000*
Current tax			
- PRC income tax	(a)	**144**	110
- Hong Kong profits tax	(b)	-	-
Deferred tax			
- PRC withholding income tax		-	15,441
		144	15,551

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 Group'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 Group not engaged in qualifying agricultural business is 25% for the six months ended 31 December 2009 and 2008.

(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 2009 and 2008.

7. DIVIDENDS

	Six months ended 31 December **2009** *RMB'000*	2008 *RMB'000*
Final dividend of HK$0.050 (2008: HK$0.032) per ordinary share paid during the period	**133,684**	68,569

At the annual general meeting held on 27 November 2009, final dividend for the year ended 30 June 2009 of HK$0.050 (equivalent to approximately RMB0.044) per ordinary share was declared and approved. The dividend was paid during the period and the amount was reflected as appropriation of retained profits for the six months ended 31 December 2009.

The Directors do not recommend the payment of an interim dividend for the six months ended 31 December 2009 (Six months ended 31 December 2008: Nil).

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the owners of RMB1,364,054,000 (Six months ended 31 December 2008: RMB1,896,653,000) and the weighted average number of 3,032,156,831 (Six months ended 31 December 2008: 2,532,470,976) ordinary shares in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to the owners of RMB1,364,054,000 (Six months ended 31 December 2008: RMB1,114,308,000) and the weighted average number of 3,123,431,078 (Six months ended 31 December 2008: 2,843,552,727) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme and convertible bonds which had already been repaid in June 2009.

The calculation of the diluted earnings per share is based on the following data:

Profit attributable to owners of the Company (diluted)

	Six months ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Profit attributable to owners	**1,364,054**	1,896,653
Change in fair value of convertible bonds	**-**	(782,345)
Profit used to determine diluted earnings per share	**1,364,054**	1,114,308

Weighted average number of ordinary shares (diluted)

	Six months ended 31 December	
	2009	2008
	Number of shares	*Number of shares*
Weighted average number of ordinary shares used in calculating basic earnings per share	**3,032,156,831**	2,532,470,976
Deemed issue of ordinary shares - share options	**91,274,247**	107,753,461
Deemed issue of ordinary shares - convertible bonds	**-**	203,328,290
Weighted average number of ordinary shares used in calculating diluted earnings per share	**3,123,431,078**	2,843,552,727

9. 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 based on invoice date (net of allowance for doubtful debts) is as follows:

	31 December 2009	30 June 2009
	RMB'000	*RMB'000*
0 - 1 month	**121,339**	360,107
1 - 3 months	**144,346**	3,483
Over 3 months	**10,177**	17,611
	275,862	381,201

10. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

	31 December 2009	30 June 2009
	RMB'000	*RMB'000*
0 – 1 month	**1,392**	1,676
1 – 3 months	**1,461**	1,156
Over 3 months	**8,832**	3,127
	11,685	5,959

11. GUARANTEED SENIOR NOTES

The Company issued US$225,000,000, 7.75% guaranteed senior notes due on 8 February 2010 (the "Guaranteed Senior Notes") in February 2005 at an issue price of 98.985% (equivalent to RMB1,544,139,000 at 31 December 2009, net of discount capitalised) (30 June 2009: equivalent to RMB1,542,571,000, net of discount capitalised). The Guaranteed Senior Notes were listed on the Singapore Exchange Securities Trading Limited and were guaranteed by certain subsidiaries bearing interest at 7.75% per annum, payable semi-annually in arrears.

The Guaranteed Senior Notes has been fully repaid upon its maturity on 8 February 2010, as announced by the Company on 9 February 2010.

12. SUBSEQUENT EVENTS

On 24 December 2009, the Group and Elite Champion Management Limited ("Elite Champion") entered into an agreement pursuant to which the Group conditionally agreed to purchase from Elite Champion the 70% of the issued share capital of Keen Spirit Global Limited ("Keen Spirit"), at a consideration of HK$450,000,000, which would be satisfied in full by allotment and issue of the shares of the Company (the "Acquisition"). Keen Spirit and its subsidiaries are principally engaged in the research and development of organism technologies. The Acquisition was completed in January 2010 and further details of the Acquisition are set out in the announcement of the Company dated 25 December 2009.

13. APPROVAL OF INTERIM FINANCIAL REPORT

The Interim Financial Report was approved by the board of directors on 23 March 2010.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2009 (six months ended 31 December 2008: Nil).

FINANCIAL REVIEW

Helped by the steady growth in vegetable cultivation business and the advantages brought by the enhancement of its core competitiveness, the Group continued to achieve good results for the six months ended 31 December 2009. The Group recorded a growth of 13% in turnover to RMB3,237 million (31 December 2008: RMB2,867 million). Gross profit of the Group increased by 9% to RMB2,069 million (31 December 2008: RMB1,892 million).

Profit from operations rose 20% to RMB1,363 million (31 December 2008: RMB1,139 million). In respect of the operating expenses, selling and distribution expenses amounted to RMB344 million (31 December 2008: RMB326 million), maintained at the same level of 11% of the turnover as the last financial period. General and administrative expenses reduced to RMB74 million from RMB134 million in the last financial period. The decrease was mainly due to the reduction in employee share option benefits as no share options were granted during the financial period under review. As a whole, the total operating expenses for the financial period under review decreased by 3% of the turnover as compared with the last financial period and amounted to RMB543 million.

Profit for the period attributable to owners of the Company amounted to RMB1,364 million, decreased by RMB533 million when compared with the last financial period's RMB1,897 million. Such profit in the last financial period included a gain of RMB782 million in the change in fair value of convertible bonds. Following the early redemption of the remaining convertible bonds by the Company on 9 June 2009, the results of the Group was no longer affected by this non-cash flow item.

The other major non-cash flow item, changes in fair value of biological assets, recorded a loss of RMB184 million (31 December 2008: a loss of RMB210 million). The loss in changes in fair value of biological assets was mainly due to the seasonal effect brought by the fallow agricultural land of the Group located in the north at the end of December 2009. Excluding this major non-cash flow item, profit for the period attributable to owners of the Company rose to RMB1,548 million, up 17% when compared with RMB1,324 million in the last financial period (excluding two major non-cash flow items, changes in fair value of both biological assets and convertible bonds).

AGRICULTURAL LAND

As at 31 December 2009, the production base area of the Group's core business, including vegetable land, tea garden and fruit garden, amounted to 609,375 mu (40,625 hectares), an increase of 6% when compared with 572,975 mu (38,198 hectares) as at 31 December 2008. It also recorded an increase of 5% compared with 578,475 mu (38,565 hectares) as at 30 June 2009. The Group operates 34 production bases in 13 different provinces and cities in China.

The weighted average production area for vegetables as at 31 December 2009 increased by 10% to 479,837 mu (31,989 hectares) when compared with 435,020 mu (29,001 hectares) as at 31 December 2008. It also represented an increase of 9% when compared with 441,520 mu (29,435 hectares) as at 30 June 2009.

MARKET REVIEW AND OUTLOOK

The vegetable and fruit market of China was largely stable in 2009. However, vegetable exports (including frozen, processed and dried vegetables) slightly dropped by 2.0% to 8.027 million tonnes due to continuous impact of the financial crisis. The value of exports rose 5.2% to US$6.77 billion.

In January 2010, the Central Committee of Communist Party of China and the State Council announced the No. 1 Document in respect of "Certain Opinions on the Coordination and Implementation of Rural Development" to address the "Three Rural Issues" on which the PRC government has put emphasis for the seven consecutive years. The document focuses on allocation of resources to rural areas, and encourages the development of good quality agricultural produce, green food and organic agricultural produce. It also emphasises the improvement on laws, regulations and policies of land contract management in rural areas. Specific methods will be made to ensure that the existing land contract management for rural areas remains stable and unchanged indefinitely in the future. In addition, the government continues to increase its investment in agriculture. In 2009, the investment of the central government in solving "Three Rural Issues" amounted to RMB725.3 billion, an increase of 22% as compared with 2008. In 2010, the government plans to invest RMB818.3 billion, an increase of RMB93 billion over 2009.

The foundation of Chaoda business model, "company + production bases + farmers", lies in land development. The government policy to maintain the existing land contract management for rural areas is favourable to the Group's long-term planning and stable growth. With the implementation of favourable policies for agricultural development and continuous improvement in the operating environment of agriculture, the Group believes that its prospects for growth remain promising. In the future, vegetable and fruit cultivation will continue to be its core business. The Group will be committed to expanding its production bases, enhancing its modern agricultural system and striving for further technological innovation. As such, it will continue to steer the industrialisation, standardisation and modernisation of the vegetable cultivation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, cash and cash equivalents of the Group amounted to RMB3,012 million (31 December 2008: RMB1,700 million). The Group's cash and cash equivalents as at 30 June 2009 were RMB3,107 million. The Group's net cash inflow from operating activities for the financial period under review amounted to RMB1,655 million (31 December 2008: RMB1,624 million) which supported most of its funds required in investing activities. The Group has maintained sound cash position.

As at 31 December 2009, the total equity of the Group grew by 39% to RMB18,050 million (31 December 2008: RMB12,948 million). The debt of the Group as at 31 December 2008 amounted to RMB2,879 million. With the full redemption of the convertible bonds, the debt of the Group as at 31 December 2009 reduced to RMB1,565 million. The debt to equity ratio of the Group was 9% (31 December 2008: 22%) and the current ratio was 3 times (31 December 2008: 2 times).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 31 December 2009, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), save and except for the segregation of the roles of the chairman and the chief executive officer as required under code provision A.2.1 of the Code. The Company views that with his profound knowledge and expertise in agriculture business as well as his contribution in leading the Group, it is in the best interests of the Company that Mr. Kwok Ho shall continue his dual capacity as the Chairman and Chief Executive Officer of the Company.

Other information on the Company's corporate governance practices was set out in the Corporate Governance Report contained in the 2008/2009 annual report of the Company.

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. Upon enquiry made by the Company, all of the directors have confirmed that they have complied with the standards set out in the Model Code during the six months ended 31 December 2009.

EVENTS AFTER THE END OF THE FINANCIAL PERIOD

On 24 December 2009, one of the wholly-owned subsidiaries of the Company, Great Challenge Investments Limited ("Great Challenge), entered into an agreement with the vendor, Elite Champion Management Limited, pursuant to which Great Challenge acquired 70% of the issued share capital of Keen Spirit Global Limited in order to advance new products by making use of the patents in organism technologies to develop edible vaccines derived from plants such as vegetables, fruits and seeds against viruses and bacteria. Details of the event were set out in the announcement dated 25 December 2009. The announcement is available at the websites of the Stock Exchange and the Company (www.irasia.com/listco/hk/chaoda and www.chaoda.com.hk). Upon fulfillment of the conditions set out in the agreement, a total number of 58,823,500 new shares were allotted and issued as consideration shares by the Company on 7 January 2010.

On 8 February 2010, the Company has repaid the guaranteed senior notes (listed in Singapore Exchange Securities Trading Limited) in full. As of the date hereof, the guaranteed senior notes have been delisted from Singapore Exchange Securities Trading Limited.

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

Hong Kong, 23 March 2010

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, Mr. Chen Jun Hua and Mr. Chan Chi Po Andy*
Non-executive director	:	*Mr. Ip Chi Ming*
Independent non-executive directors	:	*Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin Shun Quan and Ms. Luan Yue Wen*