

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 26 May 2011.

The Board would like to make a further clarification in response to an article published in the Next Magazine issue number 1107 dated 26 May 2011 in relation to the Company.

Reference is made to the announcement of Chaoda Modern Agriculture (Holdings) Limited (the “**Company**”) dated 26 May 2011.

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.

The board (the “**Board**”) of directors of the Company would like to make a further clarification in response to an article published in the Next Magazine issue number 1107 dated 26 May 2011 in relation to the Company (the “**Article**”).

The Company operates altogether 30 production bases in 13 different provinces and cities in China with the total area amounted to 714,933 mu as at 31 December 2010. The Company strongly denies the allegations raised by the Article in relation to the size of the production bases which are false and untrue.

The Company has three pieces of land under long term leasing in Beijing which occupies a total area of 5,000 mu. The Company has carefully reviewed the allegations and conducted initial investigation in respect of the matters raised in the Article. Based on the Company's internal enquiries and the information available at present, the writer of the Article (“the **Reporter**”) visited one of three pieces of land in Beijing which occupied an area of 3,000 mu. The Reporter stated in the Article that there is a sign outside that piece of land so visited indicating that the area of the production base is 3,000 mu. The Reporter represented himself as a buyer of massive quantities of broccoli and asked an employee working at that piece of land that was visited by the Reporter to show him the farmland with broccoli vegetation. Upon arrival of the farmland, the Reporter asked about the size of such farmland and the employee replied 1,000 odd mu. The Article concluded that the area of production base at Beijing is only 1,000 mu on the basis of the above information without taking into account or making further enquiries of the fact that there are two more pieces of land in Beijing which were not visited by the Reporter. In the premises, the Company took the view that the author of the Article made quote out of context or relied on piecemeal information and came up with such allegations.

The Reporter made further allegations in respect of the size of the Company's production bases in Fujian and Hebei. All those allegations are false and untrue and the Company believes that it will have sufficient evidence to rebut such allegations.

As at 30 June 2010, the Company has invested RMB 9,103,150,000 on Property, Plant and Equipment ("PPE") including but not limited to improvement on buildings, fixtures, equipment, motor vehicles, computers and farmland infrastructure. This information has been audited and correctly set out in the 2009/2010 Annual Report of the Company published in October 2010. The examples quoted by the Article relating to machinery on that piece of land visited by the Reporter in Beijing are not exclusive list of machinery owned by the Company. The value of investment of all machinery and cold storage in the Beijing production base amounts to less than 0.1 per cent of the total investment of the Company on the PPE as of Note 16 of the 2009/2010 Annual Report published in October 2010. Further, the total investment on PPE in all three pieces of land in Beijing only amounts to less than 1 per cent of the total investment on PPE of the Company.

As one of the key vegetable suppliers for the 2008 Beijing Olympics, the Company adopts high quality control to enhance mass production of quality crops. Product quality and food safety are closely monitored at different stages until the product is served. The Company's contribution during the 2008 Beijing Olympics were highly recognised by the Central Committee of the Communist Party of China, the State Council of the People's Republic of China and the Beijing Organizing Committee for the Games of the 29th Olympics.

The Company's subsidiary 慶元超大運輸有限公司 has no business operation in Beijing. The company being referred to in the Article, namely 慶元超大運輸公司 of 北京大興區東馬路, is neither a subsidiary nor an associated company of the Company.

深圳市方明實業發展有限公司("Fong Ming") is neither a subsidiary nor an associated company of the Company. Fong Ming is trading with Chaoda Vegetable & Fruits Limited ("CVF"), the Company's subsidiary in Hong Kong. The revenue of CVF only accounts for approximately 0.2 per cent of the total revenue of the Company as at 30 June 2010.

The Company has instructed its legal adviser DLA Piper Hong Kong to take such legal action in connection with the Article.

Shareholders of the Company and the potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 3 June 2011

As of the date hereof, the Board comprises:

<i>Executive directors</i>	:	<i>Mr. Kwok Ho, Dr. Li Yan, Ms. Huang Xie Ying, Mr. Kuang Qiao, Mr. Chen Jun Hua and Mr. Chan Chi Po Andy</i>
<i>Non-executive director</i>	:	<i>Mr. Ip Chi Ming</i>
<i>Independent non-executive directors</i>	:	<i>Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin Shun Quan and Ms. Luan Yue Wen</i>