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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

RESULTS

The board of directors (the "Board") of Chaoda Modern Agriculture (Holdings) Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "Group" or "Chaoda") for the financial year ended 30 June 2012, together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 RMB'000	2011 RMB'000
Turnover	3	**3,160,019**	8,064,750
Cost of sales		**(3,406,610)**	(3,076,887)
Gross (loss)/profit		**(246,591)**	4,987,863
Other revenues	4	**125,194**	179,538
(Loss)/Gain arising from changes in fair value less costs to sell of biological assets	12	**(2,311,433)**	282,045
Selling and distribution expenses		**(843,776)**	(962,565)
General and administrative expenses		**(208,194)**	(343,583)
Research expenses		**(116,609)**	(47,209)
Other operating expenses	6	**(1,121,548)**	(885,717)
(Loss)/Profit from operations		**(4,722,957)**	3,210,372
Finance costs	7(a)	**(63,937)**	(83,947)
Share of results of associates		**713**	(741)
Gain on early redemption of convertible bonds		**17,381**	-
Loss on disposal of available-for-sale investments		**(86,205)**	-
Impairment loss on available-for-sale investments		**(79,620)**	-
Gain on disposal of an associate		**-**	48,174
(Loss)/Profit before income tax	7	**(4,934,625)**	3,173,858
Income tax expense	8	**(273)**	(178)
(Loss)/Profit for the year		**(4,934,898)**	3,173,680
Other comprehensive (expense)/income, including reclassification adjustments and net of income tax			
Exchange gain/(loss) on translation of financial statements of foreign operations		**470**	(88,461)
Change in fair value of available-for-sale investments		**(145,654)**	206,785
Release upon disposal of available-for-sale investments		**(123,299)**	-
Release upon impairment of available-for-sales investments		**79,620**	-
Other comprehensive (expense)/income for the year, including reclassification adjustments and net of income tax		**(188,863)**	118,324
Total comprehensive (expense)/income for the year		**(5,123,761)**	3,292,004
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(4,933,847)**	3,276,915
Non-controlling interests		**(1,051)**	(103,235)
		(4,934,898)	3,173,680
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(5,121,125)**	3,409,731
Non-controlling interests		**(2,636)**	(117,727)
		(5,123,761)	3,292,004
(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company during the year			
– Basic	10(a)	**RMB(1.50)**	RMB0.99
– Diluted	10(b)	**RMB(1.50)**	RMB0.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 RMB'000	2011 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,932,838**	9,666,312
Construction-in-progress		**82,115**	85,457
Prepaid premium for land leases	11	**6,379,888**	6,522,621
Biological assets	12	**1,814,608**	3,225,805
Available-for-sale investments		**251,626**	972,317
Deferred development costs		**9,040**	15,680
Deferred expenditure		**578,653**	537,578
Intangible assets		**481,971**	488,649
Interests in associates		**8,281**	7,573
		18,539,020	21,521,992
Current assets			
Prepaid premium for land leases	11	**161,558**	168,836
Biological assets	12	**500,983**	1,247,676
Inventories		**54,663**	37,273
Trade receivables	13	**53,189**	316,942
Other receivables, deposits and prepayments		**782,204**	500,224
Cash and cash equivalents		**520,166**	3,332,630
		2,072,763	5,603,581
Current liabilities			
Amount due to a related company		**-**	79,129
Trade payables	14	**11,764**	18,738
Other payables and accruals		**123,731**	124,519
		135,495	222,386
Net current assets		**1,937,268**	5,381,195
Total assets less current liabilities		**20,476,288**	26,903,187
Non-current liabilities			
Convertible bonds	15	**-**	1,038,741
Deferred tax liabilities		**20,655**	20,655
		20,655	1,059,396
Net assets		**20,455,633**	25,843,791
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**332,787**	332,787
Reserves		**19,979,470**	25,364,992
		20,312,257	25,697,779
Non-controlling interests		**143,376**	146,012
Total equity		**20,455,633**	25,843,791

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is the extract of the independent auditors' report from Elite Partners CPA Limited, the external auditors of the Company, on the Group's consolidated financial statements for the year ended 30 June 2012:

BASIS OF QUALIFIED OPINION

We were initially appointed as auditors on 18 August 2014 which was subsequent to the year end of the Company and thus, we were unable to observe the physical counting and inspection of the Group's property, plant and equipment, construction-in-progress, biological assets, and inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the quantities and condition of such items appearing in the consolidated statement of financial position as at 30 June 2012.

Furthermore, as disclosed in the note to the consolidated financial statements concerning the events after the reporting period, certain property, plant and equipment were subsequently disposed of after the end of the reporting period. Due to our limitation to perform physical inspection as mentioned above, we were unable to satisfy ourselves by alternative means concerning the physical existence of such assets. Consequently, we were unable to determine whether any adjustments to these amounts in the consolidated statement of financial position as at 30 June 2012 and the elements making up the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2012 were necessary.

QUALIFIED OPINION ARISING FROM LIMITATION OF SCOPE

In our opinion, except for the possible effects of the matters described in the paragraph headed "Basis of Qualified Opinion" above, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively includes all applicable individual Hong Kong Financial Reporting Standard ("HKFRS"), Hong Kong Accounting Standard ("HKAS") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and revised HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 2.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB") since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB.

The consolidated financial statements have been prepared under historical cost convention except for certain assets such as biological assets and financial instruments classified as available-for-sale investments which are measured at fair values.

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The consolidated financial statements for the year ended 30 June 2012 were approved for issue by the Board on 19 December 2014.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 July 2011:

HKAS 24 (Revised)	Related Party Disclosures
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Various	Annual Improvements to HKFRSs 2010

The application of the new HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

At the date of authorisation of the consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors of the Company (the "Directors") anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's consolidated financial statements.

HKFRS 9 – Financial instruments
HKFRS 9 is effective for accounting periods beginning on or after 1 January 2018 and introduces a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 – Financial instruments (Continued)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

The Directors expect that the implementation of HKFRS 9 in the future will affect the classification and measurement in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 10 – Consolidation financial statements

HKFRS 10 is effective for accounting periods beginning on or after 1 January 2013 and introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholder to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The Directors expect that the implementation of HKFRS 10 would change the accounting policy with respect to determining whether it has control over an investee but may not have material impact on the Group's results and financial position.

HKFRS 12 – Disclosure of interests in other entities

HKFRS 12 is effective for the accounting periods beginning on or after 1 January 2013. HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements. The Directors expect that the implementation of HKFRS 12 may result in more extensive disclosures in the consolidated financial statements, but no material impact on the Group's results, cash flows and financial position.

2. **APPLICATION OF NEW AND REVISED HKFRSs** (Continued)

HKFRS 13 – Fair value measurement

HKFRS 13 is effective for the accounting periods beginning on or after 1 January 2013 and provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively. The Directors expect that the implementation of HKFRS 13 may result in more extensive disclosures on the Group's biological assets in the consolidated financial statements, but no material impact on the Group's results, cash flows and financial position.

HKAS 1 (Amendments) – Presentation of items of other comprehensive income

The amendments is effective for the accounting periods beginning on or after 1 July 2012 and require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. fair value gain on available-for-sale investments) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively. The Directors consider that the presentation of items of other comprehensive income will be modified to reflect the changes in the first year of application but the amendments will not result in any impact on the Group's results and financial position.

HKAS 16 and HKAS 41 (Amendments) – Bearer plants

The amendments are effective for the accounting periods beginning on or after 1 January 2016. The amendments introduce the definition of bearer plants and extend the scope of HKAS 16 to include bearer plants, and explicitly exclude bearer plants from the scope of HKAS 41. The produce on bearer plants remains within the scope of HKAS 41. Prior to the amendments, the accounting for bearer plants was within the scope of HKAS 41, which requires all biological assets to be measured at fair value less costs to sell (except for rare cases in which the presumption that fair value can be measured reliably is rebutted). The measurement principle of fair value for biological assets is based on the premise that the transformation of biological assets is best reflected by fair value measurement. The amendments enable entities to account for bearer plants in accordance with HKAS 16, using either the cost model or the revaluation model. Before bearer plants are able to bear agricultural produce (i.e. before maturity), they are accounted for as self-constructed items of property, plant and equipment. The agricultural produce of the bearer plant remains within the scope of HKAS 41 and is therefore accounted for at fair value. The Directors are currently assessing the possible impact of the amendments on the Group's results and financial position in the first year of application.

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 year is as follows:

	2012 RMB'000	2011 RMB'000
Sales of crops	**3,115,283**	8,005,262
Sales of livestock	**44,736**	59,488
	3,160,019	8,064,750

4. OTHER REVENUES

	2012 RMB'000	2011 RMB'000
Interest income	**53,695**	94,563
Dividend income from available-for-sale investments	**19,989**	22,213
Waiver of other payables	**-**	18,724
Agency fee income	**910**	5,511
Sales of milk	**36,387**	29,396
Sundry income	**14,213**	9,131
	125,194	179,538

5. 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 result and asset for both years ended 30 June 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.

There is no single customer contributing over 10% of total revenue of the Group for the years ended 30 June 2012 and 2011.

6. OTHER OPERATING EXPENSES

	2012	2011
	RMB'000	RMB'000
Expenses incurred for fallow farmlands	**217,282**	204,678
Impairment loss on property, plant and equipment	**-**	4,047
Impairment loss on intangible assets	**-**	349,316
Impairment loss on prepaid premium for land leases	**-**	165,648
Natural crop losses	**114,459**	44,804
Natural losses of livestock	**47,322**	-
Compensation paid for land leasing	**-**	50,836
Loss on disposals of property, plant and equipment	**709,800**	43,556
Deferred expenditure written off	**12,920**	1,938
Plantation costs for windbreaks	**6,792**	10,154
Donations	**-**	10,287
Others	**12,973**	453
	1,121,548	885,717

7. (LOSS)/PROFIT BEFORE INCOME TAX

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

(a) Finance costs

	2012	2011
	RMB'000	RMB'000
Bank and finance charges	**1,237**	114
Interest on bank loans wholly repayable within five years	**-**	481
Effective interest on convertible bonds *(Note 15)*	**62,700**	83,352
	63,937	83,947

(b) Staff costs (including directors' remuneration)

	2012	2011
	RMB'000	RMB'000
Salaries, wages and other benefits	**1,071,373**	892,112
Employee share option benefits	**1,911**	163,059
Retirement benefit costs	**5,378**	5,389
	1,078,662	1,060,560

7. **(LOSS)/PROFIT BEFORE INCOME TAX** (Continued)

(c) Other items

	2012	2011
	RMB'000	RMB'000
Auditors' remuneration	**1,637**	2,764
Amortisation of deferred development costs	**6,640**	11,550
Amortisation of prepaid premium for land leases, net of amount capitalised	**125,963**	111,946
Amortisation of deferred expenditure, net of amount capitalised	**175,774**	157,275
Cost of inventories sold	**3,406,610**	3,076,887
Depreciation of property, plant and equipment, net of amount capitalised	**539,009**	555,012
Deferred development costs written off	**-**	6,500
Operating lease expenses		
– Land and buildings	**297,572**	272,237
– Motor vehicles	**17**	102
Provision for impairment of trade receivables	**-**	6,560
Other receivables written off	**3,072**	16,458

8. **INCOME TAX EXPENSE**

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	2012	2011
	RMB'000	RMB'000
Current tax		
– PRC income tax *(Note (a))*	**86**	178
– Hong Kong profits tax *(Note (b))*	**187**	-
	273	178

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% (2011: 25%).

(b) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 30 June 2012. No provision for Hong Kong profits tax had been made as there was no estimated assessable profits for the Company and its subsidiaries operating in Hong Kong during the year ended 30 June 2011.

9. DIVIDENDS

(a) Dividends payable to the owners of the Company attributable to the year:

	2012 **RMB'000**	2011 RMB'000
Interim dividend (2011: HK$0.030 per ordinary share)	**-**	85,230

The Directors do not recommend the payment of final dividend for the years ended 30 June 2012 and 2011.

(b) Dividends payable to the owners of the Company attributable to the previous financial year, approved and paid during the year:

	2012 **RMB'000**	2011 RMB'000
Final dividend (2011: HK$0.060 per ordinary share, in respect of the previous financial year, approved and paid during the year)	**-**	172,379

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/ earnings per share is based on the loss attributable to the owners of the Company of RMB4,933,847,000 (2011: profit of RMB3,276,915,000) and the weighted average number of 3,291,302,000 (2011: 3,316,466,000) ordinary shares in issue during the year.

10. **(LOSS)/EARNINGS PER SHARE** (Continued)

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/ earnings per share is based on the loss attributable to the owners of the Company of RMB4,933,847,000 (2011: profit of RMB3,360,267,000) and the weighted average number of 3,291,302,000 (2011: 3,507,550,000) ordinary shares.

For the year ended 30 June 2012, the computation of diluted loss per share does not assume the conversion of the Company's share option, convertible bonds and call options outstanding since their exercise would result in a decrease in loss per share.

For the year ended 30 June 2011, the computation of diluted earnings per share had been adjusted for the effects of all dilutive potential ordinary shares under the Company's share option scheme and convertible bonds but did not assume the exercise of the Company's call options in issue as the exercise price of those call options is higher than the average market price for shares during the year ended 30 June 2011.

The calculation of the diluted (loss)/earnings per share is based on the following data:

(Loss)/Profit attributable to the owners of the Company *(diluted)*

	2012	2011
	RMB'000	RMB'000
(Loss)/Profit attributable to the owners of the Company	**(4,933,847)**	3,276,915
Effective interest on convertible bonds	**-**	83,352
(Loss)/Profit used to determine diluted (loss)/earnings per share	**(4,933,847)**	3,360,267

Weighted average number of ordinary shares *(diluted)*

	2012	2011
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares used in calculating basic (loss)/earnings per share	**3,291,302**	3,316,466
Deemed issue of ordinary shares – share options	**-**	52,796
Deemed issue of ordinary shares – convertible bonds	**-**	138,288
Weighted average number of ordinary shares used in calculating diluted (loss)/earnings per share	**3,291,302**	3,507,550

11. PREPAID PREMIUM FOR LAND LEASES

	Long-term prepaid rentals RMB'000	Land use rights RMB'000	Total RMB'000
Cost			
At 1 July 2010	5,995,783	123,970	6,119,753
Additions	1,509,000	-	1,509,000
Early termination of leases	(86,460)	-	(86,460)
Exchange realignment	13,788	-	13,788
At 30 June 2011 and 1 July 2011	7,432,111	123,970	7,556,081
Additions	709,068	4,000	713,068
Early termination of leases	(759,500)	-	(759,500)
Exchange realignment	(32,296)	-	(32,296)
At 30 June 2012	**7,349,383**	**127,970**	**7,477,353**
Accumulated amortisation and impairment loss			
At 1 July 2010	518,517	28,935	547,452
Amortisation for the year	159,261	4,794	164,055
Impairment loss *(Note (b))*	165,648	-	165,648
Early termination of leases	(14,465)	-	(14,465)
Exchange realignment	1,934	-	1,934
At 30 June 2011 and 1 July 2011	830,895	33,729	864,624
Amortisation for the year	166,989	4,849	171,838
Early termination of leases	(68,259)	-	(68,259)
Exchange realignment	(32,296)	-	(32,296)
At 30 June 2012	**897,329**	**38,578**	**935,907**
Net carrying value			
At 30 June 2012	**6,452,054**	**89,392**	**6,541,446**
At 30 June2011	6,601,216	90,241	6,691,457

	2012 **RMB'000**	2011 RMB'000
Non-current portion	**6,379,888**	6,522,621
Current portion	**161,558**	168,836
Net carrying value at 30 June	**6,541,446**	6,691,457

11. PREPAID PREMIUM FOR LAND LEASES (Continued)

The Group's interests in long-term prepaid rentals and land use rights represent the prepaid operating leases payments and their net carrying value are analysed as follows:

	2012	2011
	RMB'000	RMB'000
Outside Hong Kong held on:		
Leases of over 50 years	**734,232**	746,101
Leases of between 10 to 50 years	**5,807,214**	5,945,356
	6,541,446	6,691,457

Notes:

(a) As at 30 June 2012, long-term prepaid rentals for the farmland which have not yet been occupied by the Group amounted to RMB1,641,500,000 (2011: RMB1,474,500,000).

(b) During the year ended 30 June 2011, an impairment loss of approximately RMB165,648,000 was recognised to fully impair the carrying amount of certain prepaid rental of a subsidiary engaged in the growing and the sales of crops.

(c) Subsequent to the year ended 30 June 2012, certain land leases with net carrying value of approximately RMB1,211,999,000 (2011: RMB1,926,743,000) have been terminated.

12. BIOLOGICAL ASSETS

	Fruit trees and tea trees	**Livestock**	**Vegetables**	**Trees in plantation forest**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
At 1 July 2010	1,875,225	51,750	965,576	701,126	3,593,677
Additions	335,586	66,132	3,166,123	411,453	3,979,294
Decrease due to harvest	(358,196)	(38,399)	(2,984,940)	-	(3,381,535)
Gain/(loss) arising from changes in fair value less costs to sell	177,647	(27,792)	100,917	31,273	282,045
At 30 June 2011 and 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	(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	**875,396**	**52,451**	**500,983**	**886,761**	**2,315,591**

12. BIOLOGICAL ASSETS (Continued)

Biological assets as at 30 June 2012 and 2011 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	2012 Total RMB'000	2011 Total RMB'000
Non-current portion	**875,396**	**52,451**	**-**	**886,761**	**1,814,608**	3,225,805
Current portion	**-**	**-**	**500,983**	**-**	**500,983**	1,247,676
	875,396	**52,451**	**500,983**	**886,761**	**2,315,591**	4,473,481

(a) The fair value less costs to sell of the fruit trees and tea trees is determined with reference to the present value of expected net cash flows from the biological assets discounted at a current market-determined pre-tax rate with assistance of Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent professional valuer.

(b) The fair value of livestock is determined by the Directors with reference to market-determined prices with similar size, species and age.

(c) The fair value of vegetables is determined by the Directors with reference to market-determined prices, cultivation areas, species, growing conditions, cost incurred and expected yield of the crops.

(d) The trees in plantation forest represented the growing of eucalyptus (the "Eucalyptus"). In accordance with the valuation report issued by Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent professional valuer, the fair value of the Eucalyptus is determined with reference to the present value of expected net cash flows from the biological assets discounted at a current market-determined pre-tax rate.

(e) The quantity and amount of agricultural produce harvested measured at fair value less costs to sell during the year were as follows:

	2012		2011	
	Quantity Tonnes	**Amount RMB'000**	Quantity Tonnes	Amount RMB'000
Fruits and tea leaves	**66,909**	**128,515**	63,573	357,811
Vegetables	**2,913,634**	**2,847,305**	2,918,823	7,527,902
	2,980,543	**2,975,820**	2,982,396	7,885,713

13. 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 the customers' credit worthiness.

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. As the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk.

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

	2012 **RMB'000**	2011 RMB'000
0 – 1 month	**35,602**	283,726
1 – 3 months	**8,679**	18,801
Over 3 months	**8,908**	14,415
	53,189	316,942

14. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

	2012 **RMB'000**	2011 RMB'000
0 – 1 month	**5,150**	5,886
1 – 3 months	**783**	1,741
Over 3 months	**5,831**	11,111
	11,764	18,738

15. CONVERTIBLE BONDS

On 1 September 2010, the Company issued US$200,000,000 (equivalent to approximately RMB1,341,600,000 at the date of issue) convertible bonds ("Bonds") to the bondholders with a maturity date due on 1 September 2015. The Bonds bear interest at the rate of 3.7% per annum payable semi-annually in arrears.

Each convertible bond would, at the option of the bondholder, be convertible into ordinary share of the Company at an initial conversion price of HK$8.10 per share subject to adjustment, with a fixed exchange rate applicable on conversion of HK$7.7728 = US$1, from the 41st day after the issue of the Bonds up to close of business on the 10th day prior to the maturity date of the Bonds, or if such Bonds are called for redemption by the Company before its maturity date, then up to the close of business on a day no later than seven days prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the holders of such Bonds, then up to the close of business on the day prior to the giving of such notice.

The Bonds that are not converted into ordinary shares will be redeemed at its principal amount together with interest accrued and unpaid on the maturity date. Further details were set out in the Company's announcement dated 17 August 2010.

The Bonds contains liability component and equity component. The fair value of the liability component was calculated using discount rate method. The residual amount is the fair value of the equity component which is included in the equity.

The interest expense on the Bonds is calculated using the effective interest method by applying the effective interest rate of approximately 10% to the liability component.

As announced in the Company's announcement dated 15 February 2012, the Company remitted an aggregate principal amount of US$195,400,000, representing 97.7% of the then outstanding Bonds, to the redeeming holders of the Bonds through the trustee of the Bonds on 14 February 2012 for an intended early settlement of the principal amount of the Bonds. As further announced in the Company's announcement dated 3 April 2012, the Company issued a notice of redemption to holders of the remaining Bonds to redeem the remaining outstanding principal amount of US$4,600,000 in full plus interest payable thereon on 3 April 2012. As a result, the Bonds were fully redeemed and cancelled. A gain on early redemption of approximately RMB17,381,000 and RMB31,217,000 related to liability component and equity component of the Bonds were separately recognised in profit or loss and equity respectively.

Movement of the liability component of the Bonds are set out as below:

	2012	2011
	RMB'000	RMB'000
At 1 July	**1,038,741**	-
Issuance of Bonds	**-**	1,017,243
Effective interest charges on Bonds	**62,700**	83,352
Interest paid on Bonds	**(45,091)**	(24,543)
Early redemption of Bonds	**(1,039,861)**	-
Exchange realignment	**(16,489)**	(37,311)
At 30 June	**-**	1,038,741

Since the date of issue up to the date of redemption, no Bonds have been converted into the Company's ordinary shares.

16. EVENTS AFTER THE REPORTING PERIOD

(i) Disposal of property, plant and equipment

Subsequent to the end of the reporting period, certain land leases for lands being occupied by the Group has been terminated and the related property, plant and equipment belongs to these terminated land leases with net carrying value of approximately RMB1,567,797,000 were disposed accordingly.

(ii) 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 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 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). These unexercised call options became lapsed on the expiry of the exercise period.

INDUSTRY AND BUSINESS REVIEW

The Chinese government continued to extend its effort in support for the "Three Rural" (which stands for "Agricultural Industry", "Rural Areas" and "Farmers") with more preferential policies being promulgated to the benefit of the farmers. In February 2012, the Central Committee of the Communist Party of China (the "CPC") and the State Council issued the "Number One Document", which emphasised on the strategic technical innovations in the agricultural technologies. This rightly placed the technological advancement objective at the heart of the whole policy initiative in tackling with the "Three Rural" issues. This was the ninth "Number One Document" which sets out the policy guideline specifically dealing with the "Three Rural" issues. It stated that public financial resources would continue to be directed towards segments in relation to "Three Rural". The government's investment in fixed asset in rural area and agricultural technology development would also increase, so that there could be growth in both absolute amount and in terms of percentage. The government would continue to play a pivotal role in stable investment for agricultural technology development. It intended that the incremental rate of government budget on agricultural technology would outpace its recurring income growth rate, and it would seek to progressively lifting the proportion of fund invested in agricultural research and development ("R&D") to the increased product value in agriculture, thereby establish a running mechanism of progressive growth in agricultural R&D expenditure. It also intended to continue extending its effort in subsidising the Agricultural Industry with particular focus in supporting the major production regions, major industrial players and professional communal farmers.

During the financial year under review, despite a stable China fruit and vegetable market and introduction of further preferential policies on Agricultural Industry by the government, the Group suffered from a substantial drop in turnover and incurred a net loss as a result of the events leading to the suspension of trading in the Company's shares (the "Trading") on the Stock Exchange. Nevertheless, Chaoda retained its position in "China's 500 Most Valuable Brands" published by the World Brand Laboratory in June 2012, and was ranked 81st with a brand value of RMB16,936 million. Meanwhile, Chaoda retained its designation as one of the "State-Level Dragon Head Leading Agricultural Enterprises".

FINANCIAL REVIEW

As aforesaid, the Group faced a challenging and complex business environment as a result of the events leading to the suspension of the Trading. During the financial year under review, such events have dampened effect on the confidence of both institutional and indirect export customers which reduced in demand for the Group's produces from 30% to 11% of crop sales. Though the sales volume for the agricultural produces remained stable at approximately 2,980,543 tonnes (2011: 2,982,396 tonnes), there was a tumble of the average selling price for crops of the Group in the PRC (the "Average Selling Price") from RMB2.68 per kilogram to RMB1.05 per kilogram. The turnover of the Group was significantly down to RMB3,160 million (2011: RMB8,065 million) that resulted in a gross loss of RMB247 million (2011: gross profit of RMB4,988 million). In addition, a substantial loss of RMB2,311 million was caused by changes in fair value less costs to sell of biological assets under the valuation and it was mainly due to the drop in the Average Selling Price. Consequently, the Group recorded a significant loss for the financial year under review.

In adherence to prudent financial management and through reasonable control of operating costs, selling and distribution expenses lowered by 12% to RMB844 million. General and administrative expenses also reduced by 39% to RMB208 million. Other operating expenses increased from RMB886 million to RMB1,122 million. Such increase was mainly attributable to, *inter alia*, loss on disposals of property, plant and equipment. As a whole, the total operating expenses for the financial year under review were 72% as a percentage of turnover (2011: 28% of turnover). As a result, the Group recorded loss from operations of RMB4,723 million (2011: profit from operations of RMB3,210 million)

AGRICULTURAL LAND

The Group applies stringent land selection criteria underpinned by high standards for air, soil and water resources. Suitable agricultural land is acquired to expand Chaoda's production base area and to enhance the strategic network of production bases spanning across the country from the North to the South, so that highland and lowland bases of the Group complement each other to enable an even supply throughout the year while mitigating the impact of adverse weather.

As at 30 June 2012, the Group's production bases amounted to 28 in 12 different provinces and cities in China, with a total production area (including vegetable land, tea garden and fruit garden) of 788,573 mu (52,572 hectares), an increase of 2% when compared with the total production area of 773,073 mu (51,538 hectares) as at the end of previous financial year. The weighted average production area for vegetables for the financial year under review was 640,237 mu (42,682 hectares), an increase of 11% when compared with 578,845 mu (38,590 hectares) for the previous financial year.

LIQUIDITY AND FINANCIAL RESOURCES

During the financial year under review, the Group financed its business activities by revenue generated from its operations. Net cash used in operating activities of the Group amounted to RMB503 million. In April 2012, the Bonds had been early redeemed in full by the Company. Accordingly, as at 30 June 2012, the Group's cash and cash equivalents amounted to 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 30 June 2012, the total equity of the Group (including non-controlling interests) amounted to RMB20,456 million (2011: RMB25,844 million). Following the early redemption of the Bonds, the Group did not have any debts outstanding as at 30 June 2012. The current ratio (dividing total current assets by total current liabilities) was 15 times (2011: 25 times).

As at 30 June 2012, the capital commitments of the Group that had been contracted but not provided for commitments in respect of the purchase of property, plant and equipment, amounted to RMB14 million. As at 30 June 2011 and 2012, the Group did not have any material contingent liabilities.

PROSPECTS AND DEVELOPMENT STRATEGY

We believe that China will continue to allocate additional resources to cope with the "Three Rural" issues for a stable and sustainable development in the Agricultural Industry. The "Number One Document" issued by the Central Committee of the CPC and the State Council in February 2012 emphasised on strategic technical innovation in the Agricultural Industry. It was followed by the "Opinions on Supporting the Development of Leading Enterprises in the Industrialisation of Agriculture" published by the State Council in March 2012. It pointed out that through the combination of, among others, production elements of capital, technology and human resources, leading enterprises in the industrialisation of agriculture could assist farmers in the development of professional, standardised, large-scale and intensive production. These enterprises play an integral part in both the establishment of a modernised Agricultural Industry and the facilitation of industrialised operation of agriculture. Support for the development of leading enterprises could significantly enhance the agricultural organisation, speed up the transformation of development model, facilitate the modernisation progress and improve farmers' employment and rewards in the Agricultural Industry. In January 2014, the "Number One Document" focused on the "Three Rural" issues for the eleventh consecutive year. Its core content includes perfecting the national food safety assurance system, strengthening the support for Agricultural Industry, establishing mechanisms for the sustainable development of the Agricultural Industry, enhancement of land reform in Rural Areas, formulating advanced agricultural operation models, expediting of rural financial system innovations, improving institutional mechanisms for the development of the integration of rural and urban and boosting governing mechanisms for rural villages.

Concentration on Core Business

Considering the favourable conditions with generous support for the development of the Agricultural Industry from the central government, we believe the industry will continue to thrive in an improving overall operating environment. It offers great opportunities of growth for Chaoda. In the wake of escalating industrialisation and urbanisation, the Agricultural Industry in China is at a critical stage of transformation from fragmented small scale production in the past to an intensively industrialised, standardised and modernized operating model. This highly efficient development approach is what Chaoda, as a pioneer in modern agriculture, has persistently taken. The Group's business model of "Company + Production Bases + Farmers" has become a paradigm for modernised vegetable cultivation in China. In the future, the Group will continue to take advantage of preferential agricultural policies and opportunities generated by the improving operating environment in the industry by focusing on its core business of vegetable and fruit cultivation. The Group will also continue to lead the industrialisation of vegetable cultivation, improve farming efficiency and boost farmers' income so as to thrive as a driving force for modern cultivation industry and a prominent provider of quality standardised agricultural products.

Enhancing Quality Control

A series of food safety issues around the world had drawn the market's attention to the issue, resulting in surging demands for quality and healthy agricultural products. Chaoda's product whole-chain tracking system for its agricultural products was highly recognised in the 2nd Cross-Strait Modern Agriculture Expo. The Group is dedicated to the promotion of technologies for standardised vegetable production and comprehensive product quality control, as well as the establishment of product quality management system to offer quality and safe products, which help to boost our corporate image and appeal to a wider market.

Dedicated Brand Building

Branding is an integral part of modern agriculture. Accordingly, Chaoda has devoted substantial corporate resources in this aspect. With our own competitive edges, we continued to be ranked on the list of "China's 500 Most Valuable Brands" and entitled as one of the "State-Level Dragon Head Leading Agricultural Enterprises" in 2012 and 2013. Relentless efforts will continue to be spent on the maintenance and improvement of product quality so as to reinvigorate the Group as well as our brand image. In the future, the Group will endeavour to build a "quality brand" portfolio and focus on the development and building of agricultural brands so as to offer reliable branded agricultural products with specific traits, high quality and market appeal. With prominent market share, the offerings are competitive enough to stand out in the international market. The Group will further integrate brand management concepts into every step of production, processing and distribution to enhance standardised production and to explore market with brands, as well as to realise brand values in terms of product marketing efficiency and competitive strengths.

The central government has been committed to tackling the “Three Rural” issues in the past decade and launched a series of preferential policies to create a more favourable operating environment in the Agricultural Industry, which fuels our enthusiasm on the future of the industry.

Over the years, we have been devoted to the industrialisation of vegetable cultivation and allocated enormous resources to quality management, brand building, talent recruitment and nurturing and scientific research and development for the Agricultural Industry. We command well-rounded competitive strengths in respect of quality, branding, human resources and technologies. Confronted with the difficulties, the Group, as a leading enterprise in vegetable cultivation, will insist on modernisation of vegetable cultivation to provide customers with quality vegetables and maintain our competitive strengths.

Looking forward, we will continue to leverage on our competitive strengths with due consideration, explore different growth opportunities, expand our business, exhaust every means to overcome any existing or possible challenges with a view to achieving our business objectives, turning our business goals into reality, and creating enduring value for our shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

During the financial year under review, the Audit Committee consisted of three members all of whom were the then independent non-executive Directors. Mr. Tam Ching Ho was the Chairman and the 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 process of identifying a suitable candidate to fill the vacancy is ongoing and the Board would continue to take every step possible to expedite the appointment. Further announcement will be made by the Company when the appointment is made.

The audited financial statements of the Group for the financial year ended 30 June 2012 have been reviewed by the remaining members of the Audit Committee (namely, Mr. Tam Ching Ho (the Chairman) and Mr. Fung Chi Kin).

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.

During the financial year under review, the Company had applied the principles of the Code on Corporate Governance Practices (the "CG Code") (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (the "New CG Code") and complied with the code provisions and certain recommended best practices set out in the CG Code and the New CG Code contained in Appendix 14 to the Listing Rules Code, except for the deviations as stated below:

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

Under code provision A.2.1 of the CG Code and the New 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 New CG Code

Under code provision A.1.8 of the New 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 New CG Code, a nomination committee should be established with specific written terms of reference (code provision A.5.2), and the same should be made 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 fulfillment of the conditions prescribed by the Stock Exchange for resumption of the trading in the Company's shares on the Stock Exchange (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 year 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 New CG Code (as the Board considers that it was and is capable to perform the function of a nomination committee as designed under the New 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 New 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.

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 year under review.

OTHER INFORMATION

After the reporting period, the business and financial performance of the Group for the ensuing years have been being negatively affected by varying degrees by the events leading to the suspension of Trading.

Please refer to the summary of preliminary unaudited financial information of the Group for, among others, the financial year ended 30 June 2013 disclosed in the Company's announcement dated 31 July 2014, and the previous announcements issued by the Company since 10 May 2012 for the status of resumption of the Trading.

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.

DISCLOSURE PURSUANT TO RULE 13.49(3)(ii)(b) OF THE LISTING RULES

The Board and the Auditors are of the view that there are no material differences between the above audited financial results for the financial year ended 30 June 2012 and the summary of financial results (the "Unaudited Financial Information") disclosed in the Company's announcement dated 31 July 2014, except for the following:

The item with material changes when compared to the audited financial results for the financial year ended 30 June 2012 is mainly the "Loss arising from changes in fair value less costs to sell of biological assets". Such loss was RMB1,998 million and RMB 2,311 million as respectively stated in the Unaudited Financial Information and the audited financial results for the financial year ended 30 June 2012. The main reason for such changes was due to the fact that the valuation of the biological assets (based on the final independent valuation report) had taken into account of the actual results for the financial year ended 30 June 2014 and the most updated data (which were not available when the Unaudited Financial Information was released on 31 July 2014).

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.

APPRECIATION

On behalf of the Board, I am grateful for the perseverance and resilience of our staff shown during suspension of the Trading and give thanks to all of them for their unswerving efforts. I would also take this opportunity to express hearty gratitude to all shareholders, investors and business partners for their patience, understanding and continued support during the adverse period of time.

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

Hong Kong, 19 December 2014

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 and Professor Lin Shun Quan*