



**Chaoda Modern Agriculture (Holdings) Ltd.**  
**超大現代農業（控股）有限公司**

**PRESS RELEASE**

**Chaoda Announces 2003/4 Annual Results**

Chaoda Modern Agriculture (Holdings) Ltd announced solid results for the 12 months ended 30<sup>th</sup> June 2004. **Highlights:**

- **Turnover up 25%**
- **Operating profit up 25%**
- **Net profit up 25% (before exceptional income) ; and 38% (after exceptional income)**
- **EBITDA up 27%**
- **Basic EPS increased from RMB 0.36 to RMB 0.42 (before exceptional income) and RMB 0.46 (after exceptional income)**
- **Diluted EPS increased from RMB 0.36 to RMB 0.41 (before exceptional income) and RMB 0.45 (after exceptional income)**

Hong Kong, 19 October 2004 – Chaoda Modern Agriculture (Holdings) Limited (the “Group” or “Chaoda”, HKSE: 682), China’s single largest producer of vegetables and the only vegetable producer with nationwide scale and distribution, today announced its annual results for the twelve months ended 30<sup>th</sup> June 2004.

During the year ended 30 June 2004 (FY2004), overall turnover increased by 25% to RMB 1.86 billion while net profit before exceptional income rose 25% to RMB 904 million. Gross margin and net profit margin before exceptional income were maintained at high levels at 66% and 49% respectively. Basic and diluted EPS before exceptional income was RMB 0.42 and RMB 0.41 respectively as compared to RMB 0.36 over the same period last year. The Board of Directors has approved an annual total dividend of RMB 0.085, with regular dividend of RMB 0.077 and special dividend of RMB 0.008.

Mr. Kwok Ho, Chaoda's Chairman, said, "The superior results of the financial year has further demonstrated Chaoda's resilient business model in overcoming various risk elements and the Group's outstanding competitive advantages. Chaoda achieved solid results despite a number of natural disasters from constant climate changes during the year, and it is attributable to the Group's well diversified production bases and strong distribution networks."

The Group's main sales channels were wholesale distribution, direct sales with overseas customers, as well as indirect sales through domestic trading companies. Domestic sales and export sales (direct and indirect) as a percentage of total sales were 69% and 31% respectively. Sales derived from vegetables and fruits totaled RMB 1.7 billion, an increase of 25% from the year before and representing over 90% of total sales; sales volume reached 711,900 tons, an increase of 19%; weighted-average area of vegetable and fruit production base reached 111,800 mu, an increase of 15%. While the average selling price of the Company's vegetables and fruits was RMB 2.38 per kilogram, an increase of 4% over the year before, the yield per mu was 6.37 tons, an increase of 4% over the year before.

The Group will continue to focus on its core business, which is to pull together its resources in order to ensure a steady year-round wholesales supply of green and healthy vegetables and fruits.

As vegetable consumption slows but at the same time consumers require a higher standard, the market has increasingly paid attention to safety of agricultural products. Being the "State Level Agricultural Leading Enterprise" within the industry, Chaoda has set its own goal of creating a green and ecologically sound environment for everyone.

Within a few years, the Group has devised an entire agricultural product quality control mechanism, thereby realizing its principle of delivering unpolluted products from "Mother Earth to Dinning Table" via a green and organic enterprise chain. In recognition of Chaoda's achievements, the

World Brand Summit, under the auspices of World Brand Laboratory, together with World Economic Forum, has awarded the Group the honor of “Top 500 Most Valuable Brand in China”.

Looking ahead, Chaoda is committed in maintaining a stringent standard to control its quality, and in elevating its brand it will further expand its scale while heeding to market demand. The Group also hopes, through its unique operating ideals and model, to take part in solving the “Three Rural (Rural Areas, Farmers and Agriculture) Problems”, and, at the same time, to help raise the international standing of Chinese agricultural products. As Chaoda’s industry leadership further takes roots, the Group hopes to maintain an annual growth of 20% in its production base during the next three to five years, as well as diversify its cultivating and livestock businesses by leveraging experiences from developed countries and other multinational companies.

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## **About Chaoda Modern Agriculture (Holdings) Limited**

Chaoda was established as a private enterprise on 1st December 1994 in Fujian Province, PRC. It is a pioneer enterprise specializing in the production and distribution of ecologically grown vegetables. It was listed on the main board of the Stock Exchange of Hong Kong in 2000 and had a market capitalization of HK\$5.1 billion (US\$653 million) as of 30<sup>th</sup> June 2004. Chaoda is mainly engaged in green vegetable and fruit production and distribution, which accounts for over 90% of its total revenues. Chaoda has developed 33 production bases with a total area of 181,000 mu (approximately 12,000 hectare) in 13 provinces of Mainland China, producing over 100 species and over 712 thousand tonnes of organic vegetables and fruits a year. Chaoda distributes 69% of its products domestically through wholesale, institutional delivery and supermarkets and exports the rest 31% to Japan, Hong Kong, US and Southeast Asia. For more information, please visit Chaoda's website [www.chaoda.com](http://www.chaoda.com).

### **For press enquiries:**

#### **Christensen International (Hong Kong) Limited**

Carol Chan / Andrew Mak

Tel: 2117 0862 / 2117 0861

Fax: 2117 0869

Email: [cchan@ChristensenIR.com](mailto:cchan@ChristensenIR.com) / [amak@ChristensenIR.com](mailto:amak@ChristensenIR.com)