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**If you have sold or transferred** all your shares in Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**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)**

**PROPOSALS FOR**  
**RE-ELECTION OF RETIRING DIRECTORS**  
**GENERAL MANDATE TO BUY-BACK SHARES**  
**ADOPTION OF NEW SHARE OPTION SCHEME**  
**AND**

**NOTICE OF ADJOURNED 2011 ANNUAL GENERAL MEETING**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board of Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司 is set out on pages 4 to 11 of this circular. A notice convening the Adjourned 2011 Annual General Meeting to be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Thursday, 17 December 2015 at 10:30 a.m. is set out on pages 28 to 29 of this circular. A notice convening the Annual General Meeting to be held at the same venue and on the same date at 11:15 a.m. (or immediately after the conclusion of the Adjourned 2011 Annual General Meeting) is set out on pages 30 to 33 of this circular.

Whether or not you are able to attend the Adjourned 2011 Annual General Meeting and/or the Annual General Meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Adjourned 2011 Annual General Meeting and the Annual General Meeting (as the case may be) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the Adjourned 2011 Annual General Meeting and/or the Annual General Meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2011 Annual General Meeting”	the annual general meeting of the Company held on 30 December 2011, which was adjourned and is re-convened to be held on the date fixed for holding the Adjourned 2011 Annual General Meeting;
“Adjourned 2011 Annual General Meeting”	the adjourned annual general meeting of the Company to be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Thursday, 17 December 2015 at 10:30 a.m., the notice of which is set out on pages 28 to 29 of this circular, or any adjournment thereof;
“Adoption Date”	the date of adoption of the New Share Option Scheme by the Shareholders;
“Annual General Meeting”	the annual general meeting of the Company to be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Thursday, 17 December 2015 at 11:15 a.m. (or immediately after the conclusion of the Adjourned 2011 Annual General Meeting), the notice of which is set out on pages 30 to 33 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors (and, in relation to the New Share Option Scheme, includes any committee or delegate of the Board appointed or constituted by the Board to perform any of its functions);
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities;
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to enable them to buy-back Shares, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue at the date of passing the relevant resolution at the Annual General Meeting;

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## DEFINITIONS

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“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company, and in relation to the New Share Option Scheme, the directors of any entity in which any member of the Group holds any equity interest, including executive and non-executive director(s);
“Eligible Participant(s)”	the classes of participants (as more particularly referred to in paragraph (2) of Appendix III — “Principal Terms of the New Share Option Scheme” to this circular) who are eligible to participate in the New Share Option Scheme;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	11 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular;
“Old Share Option Scheme”	the share option scheme of the Company adopted on 19 June 2002 and expired on 18 June 2012;

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## DEFINITIONS

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“Option(s)”	share option(s) that may be granted under the New Share Option Scheme by the Board to the Eligible Participants with rights to subscribe for Shares at a pre-determined subscription price in accordance with the New Share Option Scheme;
“PRC”	The People’s Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Retiring Directors”	the Directors, namely Mr. Kwok Ho, Mr. Fung Chi Kin, Mr. Tam Ching Ho and Mr. Chan Yik Pun, who shall retire from office at the Annual General Meeting and being eligible, offer themselves for re-election;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Code on Takeovers and Mergers;
“%”	per cent.



**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)**

*Executive Directors:*

Mr. Kwok Ho (*Chairman*)  
Dr. Li Yan  
Ms. Huang Xie Ying  
Mr. Kuang Qiao  
Mr. Chen Jun Hua

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Non-Executive Director:*

Mr. Ip Chi Ming

*Principal Office in Hong Kong:*

Room 2705, 27th Floor  
China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong

*Independent Non-Executive Directors:*

Mr. Fung Chi Kin  
Mr. Tam Ching Ho  
Professor Lin Shun Quan  
Mr. Chan Yik Pun

18 November 2015

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATE TO BUY-BACK SHARES  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ADJOURNED 2011 ANNUAL GENERAL MEETING  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notices of the Adjourned 2011 Annual General Meeting and the Annual General Meeting together with information regarding the resolutions to be proposed and the matters to be considered at the mentioned meetings for, among other matters, (i) the consideration of audited consolidated financial statements of the Group for five financial years ended 30 June 2011, 2012, 2013, 2014 and 2015; (ii) the

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## LETTER FROM THE BOARD

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re-election of the Retiring Directors; (iii) the granting of the Buy-back Mandate to the Directors; and (iv) the adoption of the New Share Option Scheme.

### **2. ADJOURNED 2011 ANNUAL GENERAL MEETING**

At the 2011 Annual General Meeting, as, among other matters, the audited consolidated financial statements of the Group and the reports of directors and the auditors of the Company for the financial year ended 30 June 2011 were not made available to the Shareholders in accordance with the Articles of Association, the Chairman of the 2011 Annual General Meeting adjourned the 2011 Annual General Meeting.

The Adjourned 2011 Annual General Meeting will be convened in which the Board will cause the audited consolidated financial statements of the Group and the reports of directors and the auditors of the Company for the financial year ended 30 June 2011 to be laid before the Shareholders for consideration.

The notice convening the Adjourned 2011 Annual General Meeting is set out on pages 28 to 29 of this circular.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution proposed at the Adjourned 2011 Annual General Meeting.

The form of proxy for use at the Adjourned 2011 Annual General Meeting is sent to the Shareholders together with this circular. Whether or not a Shareholder is able to attend the Adjourned 2011 Annual General Meeting, the Shareholder is requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Adjourned 2011 Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholder from attending and voting at the Adjourned 2011 Annual General Meeting or any adjourned meeting thereof should the Shareholder so wish.

The Company will publish an announcement on the outcome of the Adjourned 2011 Annual General Meeting in respect of the resolution to be transacted thereat on the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.

### **3. RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 116A of the Articles of Association, every Director shall retire from office at an annual general meeting by rotation at least once for every three consecutive annual general meetings and such Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election. By virtue of Article 116A, Mr. Kwok Ho, Mr. Fung Chi Kin and Mr. Tam Ching Ho shall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election thereat.

In accordance with Article 99 of the Articles of Association, Mr. Chan Yik Pun shall hold office until the Annual General Meeting and shall then be eligible for re-election. Mr. Chan has agreed to offer himself for re-election at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Among the Retiring Directors, Mr. Fung Chi Kin and Mr. Tam Ching Ho have served as independent non-executive Director since September 2003 while Mr. Chan Yik Pun has served as independent non-executive Director since 5 January 2015. During their tenure of service, none of them has been involved in the daily management of the Company or in any relationships or circumstances which would impair their independent judgment. They have consistently demonstrated their abilities to provide independent, balanced and objective advice and insight on the Company's affairs. In addition, the Board is of the opinion that each of them continue to be independent after reviewing and assessing their respective annual confirmations of independence based on the criteria set out in Rule 3.13 of the Listing Rules. Accordingly, the Board recommends Mr. Fung Chi Kin and Mr. Tam Ching Ho (notwithstanding that they have served as independent non-executive Directors for more than nine years) and Mr. Chan Yik Pun for re-election at the Annual General Meeting.

The Board had reviewed the performance of the Retiring Directors and highly recognised their capability, dedication and contribution to the Group during their tenure of service with the Group. Furthermore, the Board considers that the interests of the Group and the Shareholders are best served if continuity of the management could be maintained and stability of the operations of the Group could be enhanced. Accordingly the Board recommends that, the Retiring Directors shall stay with the Board and continue to provide their professional knowledge, experience, judgment and advice to the Group and make continuous effort to assist the Group.

Biographical details of the Retiring Directors proposed for re-election as required to be disclosed under the Listing Rules is set out in Appendix I to this circular. A separate resolution for re-electing each of the Retiring Directors will be put forward at the Annual General Meeting.

#### **4. GENERAL MANDATE TO BUY-BACK SHARES**

An ordinary resolution will be proposed at the Annual General Meeting for Shareholders' approval to give the Directors the Buy-back Mandate to buy-back Shares up to 10% of the aggregate number of Shares in issue at the date of passing of such resolution, for the period until the conclusion of the next annual general meeting of the Company or such earlier period as stated in the resolution.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Buy-back Mandate is set out in Appendix II to this circular.

#### **5. PROPOSAL FOR ADOPTION OF THE NEW SHARE OPTION SCHEME**

##### **Old Share Option Scheme**

The Old Share Option Scheme, which was adopted by the Company on 19 June 2002, expired on 18 June 2012. No further options may be granted under the Old Share Option Scheme consequent upon its termination.

Since the adoption of the Old Share Option Scheme, options to subscribe for an aggregate of 422,967,557 Shares have been granted under the Old Share Option Scheme. Some of these options had lapsed and cancelled before the Latest Practicable Date.



## LETTER FROM THE BOARD

As at the Latest Practicable Date, options granted under the Old Share Option Scheme to subscribe for 93,317,060 Shares remained outstanding, the details of which are set out below:

	Date of grant	Exercisable Period	Exercise price per Share (HK\$)	Number of Options held
<b>Directors</b>				
Dr. Li Yan	26/11/2010	26/11/2010 – 25/11/2020	6.430	500,000
Ms. Huang Xie Ying	26/11/2010	26/11/2010 – 25/11/2020	6.430	2,000,000
Mr. Kuang Qiao	26/11/2010	26/11/2010 – 25/11/2020	6.430	2,000,000
Mr. Chen Jun Hua	26/11/2010	26/11/2010 – 25/11/2020	6.430	2,000,000
Mr. Ip Chi Ming	26/11/2010	26/11/2010 – 25/11/2020	6.430	2,000,000
Mr. Fung Chi Kin	26/11/2010	26/11/2010 – 25/11/2020	6.430	750,000
Mr. Tam Ching Ho	26/11/2010	26/11/2010 – 25/11/2020	6.430	750,000
			<b>Sub-total (A):</b>	<b><u>10,000,000</u></b>
<b>Employees</b>				
	31/08/2006	01/04/2007 – 30/08/2016	3.837	315,900
	31/08/2006	01/04/2008 – 30/08/2016	3.837	421,200
	31/08/2006	01/04/2009 – 30/08/2016	3.837	421,200
	31/08/2006	01/04/2010 – 30/08/2016	3.837	647,030
	31/08/2006	01/04/2011 – 30/08/2016	3.837	20,359,860
	24/10/2008	24/10/2008 – 23/10/2018	3.846	2,244,800
	24/10/2008	24/10/2009 – 23/10/2018	3.846	125,170
	24/10/2008	24/10/2010 – 23/10/2018	3.846	436,800
	24/10/2008	24/10/2011 – 23/10/2018	3.846	436,800
	24/10/2008	24/10/2012 – 23/10/2018	3.846	436,800
	26/11/2010	26/11/2010 – 25/11/2020	6.430	54,625,000
	26/11/2010	26/11/2011 – 25/11/2020	6.430	425,000
	26/11/2010	26/11/2012 – 25/11/2020	6.430	425,000
	26/11/2010	26/11/2013 – 25/11/2020	6.430	425,000
			<b>Sub-total (B):</b>	<b><u>81,745,560</u></b>
<b>Other Participants</b>				
	31/08/2006	01/04/2010 – 30/08/2016	3.837	123,800
	31/08/2006	01/04/2011 – 30/08/2016	3.837	947,700
	26/11/2010	26/11/2010 – 25/11/2020	6.430	500,000
			<b>Sub-total (C):</b>	<b><u>1,571,500</u></b>
			<b>Total (A) + (B) + (C):</b>	<b><u><u>93,317,060</u></u></b>

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## LETTER FROM THE BOARD

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All options granted pursuant to the Old Share Option Scheme prior to its termination shall remain valid and exercisable in accordance with the provisions of the Old Share Option Scheme.

### **Reasons for the proposed adoption of the New Share Option Scheme**

The Directors consider that the New Share Option Scheme will:

- (i) provide the Board with flexible and effective means to attract and retain professionals, executives and employees of high calibre or appropriate qualification and experience that are valuable to the sustained development of the Group;
- (ii) enable the Board to reward those employees who have made valuable contribution, devoted great efforts and shown perseverance and resilience to support the Group (in particular, during the period of suspension of trading of Shares prior to its resumption in February 2015);
- (iii) offer incentives and reward and/or remunerate those selected Eligible Participants whom the Directors consider are significant to and/or whose contributions are or will be beneficial to the growth of the Group; and
- (iv) help strengthen the Group's business relationship.

All the above factors are of paramount importance to the success of the Group. Further, the Directors believe that the authority given to the Board under the New Share Option Scheme to determine the eligibility of any Eligible Participant to any Options based on his or her contribution and specify (if considered appropriate by the Board) any minimum period within which an Option must be held before it can be exercised and/or any performance target that must be met as condition to the grant of Options and/or the requirement for a minimum subscription price based on the then circumstances will serve to protect the value of the Group. This, in turn, is expected to bring positive impact on the performance of the Group and the morale among members of the Group and, therefore, in the interests of the Company and the Shareholders as a whole.

There is no fundamental difference in terms of the rules between, or the rationale behind the adoption of, the Old Share Option Scheme and (if approved by the Shareholders at the Annual General Meeting) the New Share Option Scheme. Both of them were or are designed primarily to generate greater drive and effectiveness to contribute to the Group and create a sense of belongings or more favourable relations towards the Group. The Directors believe that these can have powerful effects on boosting the Group's performance levels and thereby gaining a more competitive edge for the sustainable development of the Group.

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## LETTER FROM THE BOARD

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### **The New Share Option Scheme**

Set out in Appendix III to this circular are the principal terms of the New Share Option Scheme under which the maximum number of Shares which may be allotted and issued by the Company upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes may represent up to 10% of the Shares in issue of the Company on the Adoption Date, which maximum number may however be refreshed as detailed in paragraph (3) of Appendix III to this circular.

The New Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any).

As at the Latest Practicable Date, there were 3,291,302,491 Shares in issue. Assuming that there is no further change in the number of issued Shares between the Latest Practicable Date to the Adoption Date, the number of Shares which may be allotted and issued pursuant to the New Share Option Scheme on the Adoption Date will be 329,130,249 Shares.

### **Conditions of the adoption of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the Annual General Meeting; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms of the New Share Option Scheme.

As no Shareholder has a material interest in the adoption of the New Share Option Scheme, no Shareholder is required to abstain from voting under the Listing Rules on the ordinary resolution in respect of the adoption of the New Share Option Scheme at the Annual General Meeting.

### **Application for Listing**

Application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon the exercise of the options granted under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### **Values of all options that can be granted under the New Share Option Scheme**

The Directors consider that it is not possible or appropriate to state the value of all options that may be granted pursuant to the New Share Option Scheme as if they had been granted on Latest Practicable Date. This is because the calculation of the value of the options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. In addition, options to be granted under the New Share Option Scheme are personal to the grantees of the Options and shall not be assignable, and no holder of an Option shall in any way sell, transfer, charge or create any interest in favour of any third party over or in relation to any Option and therefore have no market value. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### **6. ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting is set out on pages 30 to 33 of this circular. A form of proxy is enclosed for use at the Annual General Meeting. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and sign the form of proxy as instructed thereon and deposit it at the principal office of the Company in Hong Kong at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the Annual General Meeting will exercise his power under Article 80 of the Articles of Association to put the resolutions to be proposed at the Annual General Meeting to vote by way of poll. The results of the poll will be published on the websites of the Company and the Stock Exchange in accordance with Rule 13.39(5) of the Listing Rules.

### **7. RECOMMENDATION**

The Directors consider that the proposed resolutions to be transacted both at the Adjourned 2011 Annual General Meeting and the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions thereat.

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## LETTER FROM THE BOARD

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### 8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

### 9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the draft rules of the New Share Option Scheme will be available for inspection at the Company's principal office in Hong Kong at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**Chaoda Modern Agriculture (Holdings) Limited**  
**Kwok Ho**  
*Chairman*

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## APPENDIX I      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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*The particulars of the Retiring Directors as referred to in resolution numbered 5 of the notice of the Annual General Meeting, proposed for re-election, are as follows:*

**Mr. KWOK Ho**, aged 60, is the founder of the Group and is also the Chairman of the Board, the Chief Executive Officer (the “CEO”) and a member of the Nomination Committee of the Company. Mr. Kwok is also a director and the legal representative of some of the subsidiaries of the Company. Mr. Kwok is primarily responsible for the formulation and deployment of the overall strategy of the Group. He holds an Honorary Doctor of Business Administration and has over 30 years of experience in commercial trading in the PRC, particularly in the areas of strategic planning, management, business development, product strategy, sales and marketing. Mr. Kwok was granted by the Fujian Provincial Committee and People’s Government of Fujian Province the award of Outstanding Contribution Entrepreneur of Fujian Province for two consecutive terms. Mr. Kwok is a member of the Ninth and the Tenth Fujian Provincial Committee of the Chinese People’s Political Consultative Conference (“CPPCC”), a member of the Eleventh National Committee of CPPCC, the first, second and third term of President of the Fujian Agricultural Industrialisation Leading Enterprises Association, and the Vice-President of China Association of Agricultural Leading Enterprises.

Mr. Kwok has no specific term of service with the Company, which may be terminated by either party by written notice of not less than three months. He is, however, subject to retirement from office by rotation and re-election at annual general meeting in accordance with the Articles of Association. The basic salaries and bonus paid to Mr. Kwok for the financial year ended 30 June 2015 were RMB1,798,000, which was determined with reference to his duties and responsibilities with the Group and the market rate.

As at the Latest Practicable Date, Mr. Kwok held interests in 645,092,644 Shares within the meaning of Part XV of the SFO. Among the aggregate interests of Mr. Kwok in the Company, 643,064,644 Shares were held by Kailey Investment Ltd., which were beneficially and wholly owned by Mr. Kwok and 2,028,000 Shares were held by him personally. Mr. Kwok has not held other directorships in any listed public companies in the last three years. He is not connected, and does not have any relationship with, any directors, senior management or substantial or controlling shareholders of the Company.

**Mr. FUNG Chi Kin**, aged 66, has been an independent non-executive Director of the Company since September 2003. He is the Chairman of the Remuneration Committee and the Nomination Committee, as well as a member of the Audit Committee, of the Board. Mr. Fung is the Honorary Permanent President of The Chinese Gold & Silver Exchange Society, the International Advisor of Shanghai Gold Exchange and the director of Fung Chi Kin Consulting Limited. He was conferred on an Honorary Senior Fellowship by Asian College of Knowledge Management. Mr. Fung has over 30 years of experience in banking and finance. Prior to his retirement, he was the director and the Deputy General Manager of Po Sang Bank Limited (merged into Bank of China (Hong Kong) Limited in 2001), the Managing Director of BOCI Securities Limited and the Chief Administration Officer of BOC International Holdings Limited. From October 1998 to June 2000, Mr. Fung served as a Council Member of the First Legislative Council of the HKSAR. He also held offices in various public organisations and was the Vice-Chairman of the Stock Exchange, the director of Hong Kong Futures Exchange Limited, the director of Hong Kong Securities Clearing Company Limited and Hong Kong

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## APPENDIX I      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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Affairs Advisor. Mr. Fung has also acted as an executive director of Powerwell Pacific Holdings Limited (stock code: 8265) since September 2014. Save as disclosed above, Mr. Fung has not held other directorship in any listed public companies in the last three years. He is not connected, and does not have any relationship with, any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Fung has been appointed by the Company for a term of two years until 31 August 2016. Such an appointment may be terminated by either party by a written notice of not less than three months. He is, however, subject to retirement from office by rotation and re-election at annual general meeting in accordance with the Articles of Association. The total director's fee paid to Mr. Fung for the financial year ended 30 June 2015 was RMB360,000, which was determined with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Mr. Fung held interests in Share Options to subscribe for 750,000 Shares at an exercise price of HK\$6.43 within the meaning of Part XV of the SFO.

During his tenure of service with the Company, Mr. Fung has not been involved in the daily management of the Company or in any relationships or circumstances which would impair his independent judgment. He has consistently demonstrated his ability to provide independent, balanced and objective advice and insight on the Company's affairs. In addition, the Board had reviewed and evaluated the independence of Mr. Fung based on the information contained in the annual confirmation of independence provided by him to the Company pursuant to Rule 3.13 of the Listing Rules and is satisfied that Mr. Fung has met the criteria of independence expected of an independent non-executive director under the Listing Rules. The Board is of the view that, notwithstanding that Mr. Fung has served as independent non-executive Director for more than nine years, he remains to be independent, and has the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director if he is re-elected at the Annual General Meeting.

**Mr. TAM Ching Ho**, aged 44, has been an independent non-executive Director of the Company since September 2003. He is also the Chairman of the Audit Committee, as well as a member of the Remuneration Committee and the Nomination Committee, of the Board. He is a certified public accountant (practicing) registered with Hong Kong Institute of Certified Public Accountants ("HKICPA"). He has previously worked in a reputable international accounting firm for about eight years and specialised in providing assurance services for pre-listing, listed and multinational companies. He has also held senior positions in several companies, including mainly the financial controller of a company listed on the Main Board of the Stock Exchange and another company listed on the Main Board of the Singapore Exchange Securities Trading Limited for a total of about seven years. Mr. Tam has accumulated extensive experience in corporate finance and administration, listing compliance, investor relations, accounting and auditing. Mr. Tam holds a bachelor's degree of arts with honors in accountancy. He is an associate member of the HKICPA and a fellow member of The Association of Chartered Certified Accountants. Mr. Tam is currently an independent non-executive director of China Zenith Chemical Group Limited, which is listed on the Main Board of the Stock Exchange and was a Supervisory Board member of CBF China Bio-Fertilizer AG, which was listed on the Entry Standard of Frankfurt Stock Exchange, from December 2010 to January 2013. Save as



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## APPENDIX I      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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disclosed above, Mr. Tam has not held other directorship in any listed public companies in the last three years. He is not connected, and does not have any relationship with, any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Tam has been appointed by the Company for a term of two years until 31 August 2016. Such an appointment may be terminated by either party by a written notice of not less than three months. He is, however, subject to retirement from office by rotation and re-election at annual general meeting in accordance with the Articles of Association. The total director's fee paid to Mr. Tam for the financial year ended 30 June 2015 was RMB360,000, which was determined with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Mr. Tam held interests in Share Options to subscribe for 750,000 Shares at an exercise price of HK\$6.43 within the meaning of Part XV of the SFO.

During his tenure of service with the Company, Mr. Tam has not been involved in the daily management of the Company or in any relationships or circumstances which would impair his independent judgment. He has consistently demonstrated his ability to provide independent, balanced and objective advice and insight on the Company's affairs. In addition, the Board had reviewed and evaluated the independence of Mr. Tam based on the information contained in the annual confirmation of independence provided by him to the Company pursuant to Rule 3.13 of the Listing Rules and is satisfied that Mr. Tam has met the criteria of independence expected of an independent non-executive director under the Listing Rules. The Board is of the view that, notwithstanding that Mr. Tam has served as independent non-executive Director for more than nine years, he remains to be independent, and has the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director if he is re-elected at the Annual General Meeting.

**Mr. CHAN Yik Pun**, aged 34, has been an independent non-executive Director of the Company since January 2015. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Mr. Chan holds a bachelor's degree of Business (Major in Accounting) from the Monash University in Australia. He is a member of the Hong Kong Institute of Certified Public Accountants and has over nine years of accounting and auditing practicable experience in various international accounting firms and listed companies. He is also the Senior Finance Manager of Chaoyue Group Limited (stock code: 147). Mr. Chan is also an independent non-executive director of Unity Investments Holdings Limited (stock code: 913). Save as disclosed above, Mr. Chan has not held other directorship in any listed public companies in the last three years. He is not connected, and does not have any relationship with, any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Chan has been appointed by the Company for a term of two years until 4 January 2017. Such an appointment may be terminated by either party by a written notice of not less than three months. He is, however, subject to retirement from office by rotation and re-election at annual general meeting in accordance with the Articles of Association. The total director's fee paid to Mr. Chan for the financial year ended 30 June 2015 was RMB70,000, which was determined with reference to his duties and responsibilities with the Company and the market rate.



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**APPENDIX I      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS  
PROPOSED FOR RE-ELECTION**

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As at the Latest Practicable Date, Mr. Chan did not have any interests in Shares within the meaning of Part XV of the SFO.

Based on the information contained in the annual confirmation on independence provided by Mr. Chan to the Company pursuant to Rule 3.13 of the Listing Rules, the Board had reviewed and evaluated the independence of Mr. Chan and is satisfied that he has met the criteria of independence expected of an independent non-executive director under the Listing Rules. The Board is of the view that Mr. Chan remains to be independent, and have the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director if he is re-elected at the Annual General Meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders regarding the re-election of each of the Retiring Directors nor any other information needs to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

*This explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Buy-back Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 3,291,302,491 Shares. Subject to the passing of the ordinary resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Buy-back Mandate to buy-back a maximum of 329,130,249 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

## **2. REASONS FOR BUY-BACKS OF SHARES**

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think that it is appropriate to buy-back Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such buy-backs may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

## **3. FUNDING OF BUY-BACK**

In making buy-backs of securities, the Company may only apply funds legally available for such purposes in accordance with its memorandum of association and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. Under the laws of the Cayman Islands, buy-backs by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the laws of the Cayman Islands, out of capital.

There might be a material adverse impact on the working capital position or gearing position of the Company in the event that the buy-backs of all the Shares under the Buy-back Mandate were to be carried out in full during the period of the Buy-back Mandate.

The Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest	Lowest
	traded price HK\$	traded price HK\$
November 2014*	–	–
December 2014*	–	–
January 2015*	–	–
February 2015	0.790	0.310
March 2015	0.520	0.295
April 2015	0.670	0.410
May 2015	0.640	0.520
June 2015	0.710	0.490
July 2015	0.530	0.255
August 2015	0.375	0.238
September 2015	0.265	0.223
October 2015	0.375	0.231
November 2015 ( <i>up to the Latest Practicable Date</i> )	0.355	0.290

\* Trading in the Shares on the Stock Exchange had been suspended from 26 September 2011 to 30 January 2015.

#### 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, its memorandum of association and the Articles of Association and the laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company in the event that the Buy-back Mandate is approved by the Shareholders at the Annual General Meeting.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders at the Annual General Meeting.

## **6. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING**

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of buy-back(s) of Shares by the Company, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could, depending on the level of increase of his or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge of the Company, Mr. Kwok Ho and his associates were deemed to be interested in 645,092,644 Shares, representing approximately 19.60% of the issued share capital of the Company. On the assumption that the issued shares of the Company remain 3,291,302,491 Shares and in the event that the Directors exercise the power to buy-back Shares in full pursuant to the Buy-back Mandate, the shareholding of Mr. Kwok Ho and his associates in the Company will be increased to approximately 21.78%. In the opinion of Directors, such increase may not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code and will not result in the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules being reduced to less than 25%.

## **7. SHARE BUY-BACK BY THE COMPANY**

During the six months preceding the Latest Practicable Date, the Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise).

*Set out below is a summary of the principal terms of the New Share Option Scheme proposed to be approved and adopted at the Annual General Meeting.*

**(1) Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the Eligible Participants referred to in paragraph (2) below to recognize and reward their contributions and as incentives for retaining them for their contribution or potential contribution to the Group for the long-term growth and development of the Group.

Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted.

**(2) Who may join**

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants (the “Eligible Participants”) to take up Options to subscribe for Shares:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries, or any entity (the “Invested Entity”) in which any member of the Group holds any equity interest;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the New Share Option Scheme, the offer for the grant of Option(s) may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

For the avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

The eligibility of any of the above classes of participants to an offer for the grant of any Option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her/its contribution to the development and growth of the Group.

**(3) Maximum number of Shares**

- (a) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the relevant class of securities of the Company (or the subsidiary) in issue from time to time.
- (b) The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant resolution adopting the New Share Option Scheme (the "General Scheme Limit").
- (c) Subject to (a) above and without prejudice to (d) below, the Company may seek approval of the Shareholders at general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and, for the purpose of calculating the refreshed limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Group) previously granted under the New Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate Shareholders' approval at general meeting to grant Options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (c) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders

containing a generic description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

**(4) Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon the exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding Options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of the Company with such grantee and his close associates (or his associates if such grantee is a connected person of the Company) abstaining from voting. The number and terms (including the exercise price) of Options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

**(5) Grant of Options to connected persons**

- (a) Any grant of Options under the New Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associates is the proposed grantee of the Options).
- (b) Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be allotted and issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (aa) representing in aggregate over 0.1% of the Shares in issue; and
  - (bb) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders at general meeting. The Company must send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that the connected person’s intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of Options granted to a substantial shareholder or an independent

non-executive Director, or any of their respective associates must be approved by the Shareholders at general meeting.

**(6) Time of acceptance and exercise of Option**

An Option may be accepted by a participant within 21 days from the date of the offer for grant of the Option.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of acceptance of the offer for the grant of Options but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of Options to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised.

**(7) Performance targets**

Unless the Directors otherwise determined and stated in the offer of the grant of Options to a grantee, a grantee is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised. No performance targets are specifically stipulated under the New Share Option Scheme.

**(8) Subscription price for Shares and consideration for the Option**

The subscription price for Shares under the New Share Option Scheme shall be a price determined by the Directors but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option.

**(9) Ranking of Shares**

- (a) The Shares allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank equally in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the grantee has been entered on the register of members of the Company as the holder thereof.



- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of the share capital of the Company from time to time.

**(10) Restrictions on the time of the offer for the grant of Options**

- (a) No offer for the grant of Options shall be made after inside information has come to the Company’s knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting (as that date is first notified to the Stock Exchange in accordance with the Listing Rules), and (bb) the deadline for the Company to publish an announcement of the results of the Company for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no offer for the grant of Options may be made.
- (b) The Directors may not make any offer for the grant of Option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(11) Period of the New Share Option Scheme**

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted.

**(12) Rights on ceasing employment**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in paragraph (14) below before exercising his Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

“*Eligible Employee*” means any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, any of its subsidiaries or any Invested Entity.

**(13) Rights on death, ill-health or retirement**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation, which date shall be the last day on which the grantee was at work with the Group or the Invested Entity, whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine.

**(14) Rights on dismissal**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), his Option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

**(15) Rights on breach of contract**

If the Directors shall at their absolute discretion determine that (a) (1) the grantee of any Option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group or any Invested Entity on the other part; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever; and (b) the Option granted to the grantee under the New Share Option Scheme shall lapse as a result of any event specified in sub-paragraphs (1), (2) or (3) above, his Option will lapse automatically on the date on which the Directors have so determined.

**(16) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis; and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his Option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for

entitlements under such scheme of arrangement, as the case may be. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed or the relevant record date for entitlements under such scheme of arrangement, as the case may be.

**(17) Rights on winding up**

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option period referred to in paragraph (6) above, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the grantee of the Shares in respect of which such grantee has exercised his Option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

**(18) Grantee being a company wholly owned by Eligible Participants**

If the grantee is a company wholly owned by one or more Eligible Participants:

- (aa) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the Options to such grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) above shall occur with respect to the relevant Eligible Participant; and
- (bb) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(19) Adjustments to the subscription price**

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares to which the New Share Option Scheme or any Option relates (insofar as it is/they are unexercised) and/or the subscription price of the Option concerned and/or (unless the grantee of the Option elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option, provided that (a) any

adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustment; (b) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value; (c) the issue of Shares or other securities of the Group as a consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (d) any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

#### **(20) Cancellation of Options**

Any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraph (3) (c) and (d) above.

#### **(21) Termination of the New Share Option Scheme**

The Company may by resolution at general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

#### **(22) Rights are personal to the grantee**

An Option is personal to the grantee and shall not be transferable or assignable.

#### **(23) Lapse of Option**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option period referred to in paragraph (6) above;
- (b) the expiry of the periods or dates referred to in paragraph (12), (13), (14), (15), (16), (17) and (18) above; and
- (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (22) above by the grantee.

**(24) Miscellaneous**

- (a) The terms and conditions of the New Share Option Scheme relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the Options except with the approval of the Shareholders in general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the terms of the New Share Option Scheme.
- (c) The amended terms of the New Share Option Scheme or the Options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (d) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

**(25) Present status of the New Share Option Scheme**

*(a) Approval of the Listing Committee required*

The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, such number being not less than that of the General Scheme Limit.

*(b) Application of approval*

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued within the General Scheme Limit pursuant to the exercise of Options which may be granted under the New Share Option Scheme.

*(c) Grant of Option(s)*

As at the Latest Practicable Date, no Options have been granted or agreed to be granted under the New Share Option Scheme.



**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)**

**NOTICE OF**  
**ADJOURNED 2011 ANNUAL GENERAL MEETING**

Chaoda Modern Agriculture (Holdings) Limited (the “**Company**”) announced on 30 December 2011 that the annual general meeting held on 30 December 2011 (the “**2011 Annual General Meeting**”) was adjourned until further notice.

**NOTICE IS HEREBY GIVEN** that the 2011 Annual General Meeting of the Company will be re-convened (the “**Adjourned 2011 Annual General Meeting**”) and be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Thursday, 17 December 2015 at 10:30 a.m. for the following purpose:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and the auditors of the Company for the financial year ended 30 June 2011.

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

Hong Kong, 18 November 2015

*Notes:*

1. *Any member of the Company entitled to attend and vote at the Adjourned 2011 Annual General Meeting is entitled to appoint one or more proxy(ies) to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy needs not be a member of the Company.*
2. *To be valid, the form of proxy for the Adjourned 2011 Annual General Meeting, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof), must be deposited at the principal office of the Company in Hong Kong at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the Adjourned 2011 Annual General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Adjourned 2011 Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*

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## NOTICE OF ADJOURNED 2011 ANNUAL GENERAL MEETING

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3. *Where there are joint registered holders of any share, any one of such persons may vote at the Adjourned 2011 Annual General Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint registered holders are present at the Adjourned 2011 Annual General Meeting personally or by proxy, then one of the registered holders so present whose name stands first on the register of members of the Company in respect of such share, or his proxy, shall alone be entitled to vote and will be accepted to the exclusion of other joint registered holders in respect thereof.*
4. *At the Adjourned 2011 Annual General Meeting, the chairman of the Adjourned 2011 Annual General Meeting will exercise his power under Article 80 of the articles of association of the Company to put any resolution to be considered at the meeting to a vote by way of poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The poll result will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited in accordance with the Listing Rules.*

*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 and Mr. Chen Jun Hua*

*Non-executive director : Mr. Ip Chi Ming*

*Independent non-executive directors : Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin  
Shun Quan and Mr. Chan Yik Pun*





**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)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Chaoda Modern Agriculture (Holdings) Limited (the “**Company**”) will be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Thursday, 17 December 2015 at 11:15 a.m. (or immediately after the conclusion of the Adjourned 2011 Annual General Meeting of the Company to be held at the same venue and on the same date) for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and the auditors of the Company for the financial year ended 30 June 2012.
2. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and the auditors of the Company for the financial year ended 30 June 2013.
3. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and the auditors of the Company for the financial year ended 30 June 2014.
4. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and the auditors of the Company for the financial year ended 30 June 2015.
5.
  - (A) To re-elect Mr. Kwok Ho as an executive director of the Company.
  - (B) To re-elect Mr. Fung Chi Kin as an independent non-executive director of the Company.
  - (C) To re-elect Mr. Tam Ching Ho as an independent non-executive director of the Company.
  - (D) To re-elect Mr. Chan Yik Pun as an independent non-executive director of the Company.



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## NOTICE OF ANNUAL GENERAL MEETING

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6. To re-appoint Elite Partners CPA Limited as the auditors of the Company and to authorise the board of directors of the Company (the “**Board**”) to fix their remuneration.
7. To consider and, if thought fit, pass with or without amendments the following ordinary resolution:

“**THAT**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase or otherwise acquire the shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the Shares which are authorised to be bought back pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate number of the Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### AS SPECIAL BUSINESS

8. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares falling to be allotted and issued pursuant to the share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to the Annual General Meeting and signed by the chairman of the Annual General Meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Board be and is hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take all such steps as the Board may consider necessary or expedient to implement the New Share Option Scheme.”

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

Hong Kong, 18 November 2015

*Notes:*

1. *Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxy(ies) to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy needs not be a member of the Company.*
2. *To be valid, a form of proxy for the Annual General Meeting, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the principal office of the Company in Hong Kong at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*
3. *Where there are joint registered holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint registered holders are present at the Annual General Meeting personally or by proxy, then one of the registered holders so present whose name stands first on the register of members of the Company in respect of such Share, or his proxy, shall alone be entitled to vote and will be accepted to the exclusion of other joint registered holders in respect thereof.*
4. *At the Annual General Meeting, the chairman of the Annual General Meeting will exercise his power under Article 80 of the articles of association of the Company to put any resolution to be considered at the meeting to a vote by way of poll as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The poll result will be published on the websites of the Company and the Stock Exchange in accordance with the Listing Rules.*
5. *As regards the resolution in No. 5 of this notice, biographical details of the retiring directors proposed for re-election are set out in the Appendix I to the circular of the Company dated 18 November 2015 (the “**Circular**”). Further information in relation to the resolutions in No. 7 and No. 8 of this notice are provided in Appendix II and Appendix III respectively to the Circular.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 and Mr. Chen Jun Hua*

*Non-executive director* : *Mr. Ip Chi Ming*

*Independent non-executive  
directors* : *Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin  
Shun Quan and Mr. Chan Yik Pun*