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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers, bank manager, solicitor, professional accountant or other professional adviser.

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, stockbroker 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)

CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Advisor
to the Independent Board Committee and the Independent Shareholders



A letter from the board of directors of Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司 is set out on pages 5 to 11 of this circular. A letter from the Independent Board Committee (as defined herein) is set out on pages 12 to 13 of this circular.

A letter from Somerley (as defined herein) to the Independent Board Committee and the Independent Shareholders (as defined herein), containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 21 of this circular.

A notice convening the extraordinary general meeting of Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司 to be held at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 26 June 2009 at 10:30 a.m. is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the extraordinary general meeting or any adjournment thereof should you so wish.

4 June 2009

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DEFINITIONS

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

“2006 Agreement”	the organic fertilizers supply agreement dated 16 June 2006 and made between Fuzhou Chaoda and Fujian Chaoda Trading which was approved by the then independent shareholders at the extraordinary general meeting held on 2 August 2006
“2009 Agreement”	the organic fertilizers supply agreement dated 15 May 2009 and made between Fuzhou Chaoda and Fujian Chaoda Trading which is conditional upon the approval by the Independent Shareholders at the EGM
“Announcement”	the announcement dated 15 May 2009 issued by the Company containing, among other things, details of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Commencement Date”	the later of the date on which the Independent Shareholders’ approval is obtained or 1 July 2009
“Company”	Chaoda Modern Agriculture (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 26 June 2009 at 10:30 a.m. to consider and, if thought fit, approve the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps by the Independent Shareholders
“Existing Transactions”	the purchases of the organic fertilizers made by the Group pursuant to the 2006 Agreement

DEFINITIONS

“Fujian Chaoda Group”	Fujian Chaoda Group Limited (福建超大集團有限公司), a limited liability company established in the PRC which is owned as to 95% by Mr. Kwok
“Fujian Chaoda Trading”	Fujian Chaoda Agricultural Produce Trading Company Limited (福建超大農業產品銷售有限公司), a limited liability company established in the PRC which is a 95% owned subsidiary of Fujian Chaoda Group
“Fuzhou Chaoda”	Fuzhou Chaoda Modern Agriculture Development Company Limited (福州超大現代農業發展有限公司), a limited liability company established in the PRC and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board established by the Board for the purpose of advising the Independent Shareholders in relation to the terms of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps
“Independent Shareholders”	Shareholders other than Mr. Kwok and his associate, Kailey
“Kailey”	Kailey Investment Ltd., a company incorporated with limited liability in the British Virgin Islands which holds approximately 24.35% of the issued share capital of the Company as at the Latest Practicable Date and which is wholly owned by Mr. Kwok
“Latest Practicable Date”	2 June 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr. Kwok”	Mr. Kwok Ho, the Chairman and a substantial shareholder of the Company holding, through Kailey and his personal interests, approximately 24.39% of the issued share capital of the Company as at the Latest Practicable Date
“Percentage Ratio”	the percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules
“PRC”	People’s Republic of China
“Proposed Annual Caps”	the proposed maximum annual aggregate values of RMB870,000,000, RMB1,080,000,000 and RMB1,350,000,000 for the Proposed Transactions to be made by the Group under the 2009 Agreement for the three financial years ending 30 June 2010, 2011 and 2012 respectively
“Proposed Transactions”	the purchases of organic fertilizers to be made by the Group pursuant to the 2009 Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sommerley”	Sommerley Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder” has the meaning ascribed thereto in the Listing Rules

“%” per cent

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese versions shall prevail.

LETTER FROM THE BOARD



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:

Kwok Ho (*Chairman*)
Ip Chi Ming
Li Yan (*Lee Yan*)
Huang Xie Ying (*Wong Hip Ying*)
Kuang Qiao (*Fong Jao*)
Chen Jun Hua
Chan Chi Po, Andy

Independent Non-Executive Directors:

Fung Chi Kin
Tam Ching Ho
Lin Shun Quan
Luan Yue Wen

Registered Office:

P.O. Box 309, Uglan House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal Office in Hong Kong:

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

4 June 2009

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement made by the Company regarding the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps.

The purpose of this circular is to (i) provide you with further details of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps, and to set out the recommendation of the Independent Board Committee and the advice of Somerley as the independent financial adviser regarding the same; and (ii) give notice convening the EGM to consider, and if thought fit, to approve the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps.

The EGM will be convened on Friday, 26 June 2009 at 10:30 a.m. for the purpose of, among other things, obtaining the approval from the Independent Shareholders in respect of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps.

LETTER FROM THE BOARD

CONTINUING CONNECTED TRANSACTIONS

At the extraordinary general meeting of the Company held on 2 August 2006, the then independent shareholders approved, among other things, the 2006 Agreement, the Existing Transactions and the annual caps for the Existing Transactions for the three financial years ended 30 June 2007 and 2008 and ending 30 June 2009. The 2006 Agreement will expire on 3 August 2009. The Company will convene the EGM pursuant to Rule 14A.35 of the Listing Rules for the purpose of obtaining the Independent Shareholders' approval for the continuation of the Proposed Transactions between Fuzhou Chaoda, a wholly owned subsidiary of the Company and Fujian Chaoda Trading, a company ultimately controlled by Mr. Kwok who is the Chairman and a substantial shareholder of the Company for another period of three years.

On 15 May 2009, Fuzhou Chaoda and Fujian Chaoda Trading entered into the 2009 Agreement for a period of three years from the Commencement Date and ending on the day immediately after the third anniversary of the Commencement Date. The 2009 Agreement is conditional upon the approval of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps by the Independent Shareholders in the EGM. If the above condition precedent is not fulfilled on or before 31 August 2009 (or such later date as the parties may agree in writing), the 2009 Agreement shall forthwith be terminated and neither party shall have any claim against the other. The 2006 Agreement, if not expired prior to the Commencement Date of the 2009 Agreement, will be terminated on the Commencement Date.

Fujian Chaoda Trading is a 95% owned subsidiary of Fujian Chaoda Group which is owned as to 95% by Mr. Kwok who is the Chairman and a substantial shareholder of the Company. Fujian Chaoda Trading is therefore an associate of Mr. Kwok and, hence, a connected person of the Company within the meaning of the Listing Rules. The Proposed Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

THE 2009 AGREEMENT

Date

15 May 2009

Parties

Buyer: Fuzhou Chaoda, a wholly owned subsidiary of the Company which is principally engaged in the cultivation and sale of crops, and the breeding and sale of livestock in the PRC.

Seller: Fujian Chaoda Trading, a 95% owned subsidiary of Fujian Chaoda Group which is owned as to 95% by Mr. Kwok, the Chairman and a substantial shareholder of the Company, which is principally engaged in the supply of agricultural raw materials in the PRC.

LETTER FROM THE BOARD

Products

Biological organic fertilizers and high efficiency organic fertilizers (or such other types of organic fertilizers as may be agreed between the parties in writing from time to time).

Pricing and Settlement

The price shall be agreed between the parties at the time when a purchase order is placed by Fuzhou Chaoda with Fujian Chaoda Trading provided that it shall not exceed the ex-factory price (net of delivery costs) at which the same type of organic fertilizers is supplied by Fujian Chaoda Trading to independent third parties at the time when the purchase order is placed by Fuzhou Chaoda. Unless the parties shall otherwise agree in writing, the sales to be made pursuant to the 2009 Agreement shall be settled in RMB and all invoices issued by the Fujian Chaoda Trading to Fuzhou Chaoda shall be settled within 60 days of the date of their issue.

Term

A fixed term of 3 years commencing on the Commencement Date and ending on the day immediately after the third anniversary of the Commencement Date, during which the 2009 Agreement may be terminated by Fuzhou Chaoda by giving not less than three months' notice in writing to Fujian Chaoda Trading (but may not be terminated by notice by Fujian Chaoda Trading). In addition, either party may terminate the 2009 Agreement by written notice upon the occurrence of certain events such as material breach of obligations by the other party.

Condition Precedent

The 2009 Agreement is conditional upon the approval of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps by the Independent Shareholders having been obtained in compliance with Rule 14A.35 of the Listing Rules.

If the above condition precedent is not fulfilled on or before 31 August 2009 (or such later date as the parties may agree in writing), the 2009 Agreement shall forthwith be terminated and neither parties shall have any claim against the other. The 2006 Agreement, if not expired prior to the Commencement Date of the 2009 Agreement, will be terminated on the Commencement Date.

LETTER FROM THE BOARD

PROPOSED ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS UNDER THE 2009 AGREEMENT

The following table sets out the approximate total value of purchases of organic fertilizers made by the Group under the 2006 Agreement for the two financial years ended 30 June 2007 and 2008 and the six months ended 31 December 2008:

	For the financial year ended 30 June		For the six months ended 31 December
	2007	2008	2008
	(audited)	(audited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of organic fertilizers from			
Fujian Chaoda Trading	376,336	530,310	268,077

In respect of the Proposed Transactions, the Board has, with reference to the previous purchases of organic fertilizers made by the Group as disclosed above and the expected increase in demand for organic fertilizers to be used by the Group for its business having taken into account the future expansion of the Group's existing or establishment of new production bases in line with the Group's development strategy, considered and proposed to set a maximum annual aggregate value for the purchases of organic fertilizers to be made by the Group pursuant to the 2009 Agreement in each of the three financial years ending 30 June 2010, 2011 and 2012 as set out below:

	For the financial year ending 30 June		
	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Proposed Annual Caps	870,000	1,080,000	1,350,000

The Proposed Annual Caps have been determined by the Board (based on the Directors' experience and knowledge of the Group's business) with reference to the expected annual total purchase of the organic fertilizers to be made by the Group for each of the three financial years ending 30 June 2010, 2011 and 2012, which is in turn calculated with reference to (i) the expected increase in the total gross area of the agricultural land areas of the Group in the PRC and the expected corresponding increase in the production of the Group's crops products for the three financial years ending 30 June 2010, 2011 and 2012 and (ii) the volume of organic fertilizers (in tonnes) required to be used by the Group for the production of each unit tonne of its crops products under its normal production operation.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

Fuzhou Chaoda is principally engaged in the cultivation and sale of crops, and the breeding and sale of livestock in the PRC. The 2009 Agreement was entered into between the Group (through Fuzhou Chaoda) and Fujian Chaoda Trading, subject to the fulfillment of the conditions precedent contained therein, and setting out the terms and conditions governing the Group's future purchases of organic fertilizers from Fujian Chaoda Trading for three financial years ending 30 June 2012. While the Group can purchase organic fertilizers from other independent suppliers in the PRC, the Directors are of the view that Fujian Chaoda Trading has, in its past dealings with the Group, proven itself to be a stable and reliable supplier and the Group will continue to benefit from the well-established business relationship between the Group and Fujian Chaoda Trading through the 2009 Agreement as it ensures that the Group can, on terms favourable to the Group, obtain a stable and reliable supply of good quality organic fertilizers, which are important raw materials of the agricultural produce business of the Group.

LISTING RULES IMPLICATIONS

Fujian Chaoda Trading is a 95% owned subsidiary of Fujian Chaoda Group which is owned as to 95% by Mr. Kwok who is the Chairman and a substantial shareholder of the Company. Fujian Chaoda Trading is therefore an associate of Mr. Kwok and hence, a connected person of the Company within the meaning of the Listing Rules. The Proposed Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the annual aggregate value of the Proposed Transactions is expected to be more than HK\$10,000,000 and the Percentage Ratio in respect of the annual aggregate value of the Proposed Transactions is expected to exceed 2.5%, the Proposed Transactions will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules. Details of the Proposed Transactions and the Proposed Annual Caps will be included in the annual report and accounts of the Company for the three financial years ending 30 June 2010, 2011 and 2012 in accordance with Rules 14A.45 and 14A.46 of the Listing Rules.

In accordance with Rule 13.39(6) of the Listing Rules, the Independent Board Committee comprising independent non-executive Directors has been formed to review and consider the terms of the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2009 Agreements, the Proposed Transactions and the Proposed Annual Caps.

LETTER FROM THE BOARD

Having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Kwok, the Chairman and a substantial shareholder of the Company, and his associate, Kailey, held and controlled the voting rights of 643,092,644 Shares, representing approximately 24.39% of the issued share capital of the Company. These Shares comprised of 642,064,644 Shares held by Kailey and 1,028,000 Shares held by Mr. Kwok personally. By virtue of his 100% shareholding in Kailey, Mr. Kwok is deemed or taken to be interested in 642,064,644 Shares held by Kailey. Pursuant to Rule 14A.54 of the Listing Rules, Mr. Kwok and his associate, Kailey, will abstain from voting in relation to the resolution to be put forward at the EGM for approving the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps.

INDEPENDENT SHAREHOLDERS APPROVAL AND EGM

There is set out on pages 27 to 28 of this circular a notice convening the EGM to be held at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, on Friday, 26 June 2009 at 10:30 a.m., Hong Kong.

A form of proxy is enclosed for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and sign the form of proxy as instructed thereon and deposit 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 less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Delivery of the form of proxy will not preclude you from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rule, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the EGM will exercise his power under Article 80 of the Company's Articles of Association to put the resolution to be proposed at the EGM to a vote by way of poll. The result 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.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in the agricultural produce and livestock businesses in the PRC. The principal business of Fujian Chaoda Trading is the supply of agricultural raw materials in the PRC.

RECOMMENDATION

The Board (other than the Director who has material interest in the 2009 Agreement and the Proposed Transactions and has accordingly abstained from voting but including the independent non-executive Directors having regard to the advice from Somerley to the Independent Board Committee and the Independent Shareholders) considers that the Proposed Transactions (including the Proposed Annual Caps) contemplated under the 2009 Agreement are in the ordinary and usual course of business of the Group and are on normal commercial terms. The Board is also of the view that such transactions are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee set out on pages 12 to 13, and the letter from Somerley to the Independent Board Committee and the Independent Shareholders set out on pages 14 to 21 of this circular. Your attention is also drawn to the additional information set out in the Appendix to this circular.

The Independent Board Committee, comprising the independent non-executive Directors, having taken into account the advice of Somerley, considers that the Proposed Transactions (including and the Proposed Annual Caps) contemplated under the 2009 Agreement, are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Company and the Independent Shareholders are concerned and such transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution set out in the notice of the EGM for approving entering into the 2009 Agreement, the Proposed Transactions, the Proposed Annual Caps and other matters relating thereto.

Yours faithfully,
For and on behalf of the Board
Kwok Ho
Chairman



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)

To the Independent Shareholders

4 June 2009

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 4 June 2009 (the “Circular”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context requires otherwise.

We have been appointed by the Board as the Independent Board Committee to advise and to give recommendation to the Independent Shareholders in respect of the terms of the 2009 Agreement and the transactions thereof. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the 2009 Agreement (including the Proposed Annual Caps) are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Company and the Independent Shareholders are concerned, and whether the Proposed Transactions (including the Proposed Annual Caps) contemplated under the 2009 Agreement are in the interests of the Company and the Shareholders as a whole. Details regarding the 2009 Agreement, the Proposed Transactions and the Proposed Annual Caps are set out in the “Letter from the Board” on pages 5 to 11 of the Circular.

Having taken into account the advice of Somerley contained in its letter set out on pages 14 to 21 of the Circular, we consider that the Proposed Transactions (including the Proposed Annual Caps) contemplated under the 2009 Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Company and the Independent Shareholders are concerned and such transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Shareholders to vote in favour of the resolution to be proposed at the EGM for approving entering into the 2009 Agreement, the Proposed Transactions, the Proposed Annual Caps and other matters relating thereto.

Yours faithfully,

The Independent Board Committee

Fung Chi Kin

Tam Ching Ho

Lin Shun Quan

Luan Yue Wen

Independent Non-executive Directors

LETTER FROM SOMERLEY

The following is the text of the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

4 June 2009

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to the on-going purchases of organic fertilisers by Fuzhou Chaoda, a wholly owned subsidiary of the Company, from Fujian Chaoda Trading pursuant to the terms of 2009 Agreement for which the Independent Shareholders' approval is being sought subject to the Proposed Annual Caps. Details of the 2009 Agreement are set out in the circular of the Company to the Shareholders dated 4 June 2009 (the "Circular"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Fujian Chaoda Trading is a 95% owned subsidiary of Fujian Chaoda Group which is owned as to 95% by Mr. Kwok, the Chairman and a substantial shareholder of the Company. Fujian Chaoda Trading is therefore an associate of Mr. Kwok and hence, a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2009 Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the Company anticipates that annual aggregate value of the Proposed Transactions is expected to be more than HK\$10,000,000 and the Percentage Ratio in respect of the annual aggregate value of the Proposed Transactions is expected to exceed 2.5%, the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps) are subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rules 14A.45 to 14A.48 and 14A.52 to 14A.54 of the Listing Rules. The Directors propose to seek Independent Shareholders' approval for the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps) which will be conducted in the coming three financial years ending 30 June 2010, 2011 and 2012. Mr. Kwok and his associate, Kailey, will abstain from voting on the ordinary resolution to be proposed at the EGM to approve the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps).

LETTER FROM SOMERLEY

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Fung Chi Kin, Mr. Tam Ching Ho, Professor Lin Shun Quan and Ms. Luan Yue Wen, has been established to make a recommendation to the Independent Shareholders on whether the terms of the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We, Somerley, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group and have assumed that they are true, accurate and complete and will remain true, accurate and complete up to the date of the EGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business and affairs of the Group or Fujian Chaoda Trading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps), we have taken the following principal factors and reasons into consideration:

1. Background to and reasons for the Proposed Transactions

The Group is a leading modern agricultural enterprise in the PRC and has 34 production bases with a cultivated area of over 570,000 mu across 15 provinces and cities in the PRC. Fuzhou Chaoda, a wholly owned subsidiary of the Company, is principally engaged in the cultivation and sale of crops, and the breeding and sale of livestock in the PRC.

Fujian Chaoda Trading is principally engaged in the supply of agricultural raw materials in the PRC and has been supplying organic fertilisers to the Group since January 1999.

At the extraordinary general meeting of the Company held on 2 August 2006, the then independent shareholders approved, among other things, the 2006 Agreement, the Existing Transactions and the relevant annual caps for the three financial years ending 30 June 2009. In view of the expiry of the 2006 Agreement and taking into consideration the stable and reliable supply of good quality organic fertilisers from Fujian Chaoda Trading in the past years, the Group intends to continue purchasing organic fertilisers from Fujian Chaoda Trading.

LETTER FROM SOMERLEY

Fujian Chaoda Trading is the sole supplier of organic fertilisers to the Group. As testing and selection of suitable organic fertilisers involve a prolonged and intricate process and the use of new organic fertilisers always involve risk, the Directors are of the view that it is not commercially sensible to switch to other new organic fertilisers. Having considered that organic fertilisers are vital for crop cultivation and in view of the proven records of the Group's cultivation business in using the organic fertilisers provided by Fujian Chaoda Trading, we agree with the Directors that it would be in the interest of the Company and the Shareholders to continue its long-established business relationship with Fujian Chaoda Trading. The 2009 Agreement gives the Group a right but not an obligation to purchase organic fertilisers from Fujian Chaoda Trading on normal commercial terms that are no less favourable to Fuzhou Chaoda than terms available to other independent purchasers. Fuzhou Chaoda has the right to source from other independent suppliers in the market whenever the Board considers appropriate.

In light of the respective principal activities of the Group and Fujian Chaoda Trading, we consider that the 2009 Agreement has been entered into in the ordinary and usual course of business of the Group.

2. Principal terms of the 2009 Agreement

Pursuant to the 2009 Agreement, Fujian Chaoda Trading has agreed to supply biological organic fertilisers and high efficiency organic fertilisers (or such other types of organic fertilisers as may be agreed between the parties in writing from time to time) to the Group. The price for the organic fertilisers shall be agreed between the parties at the time the purchase order is made provided that it shall not exceed the ex-factory price (net of delivery costs) at which the same type of organic fertilisers is supplied by Fujian Chaoda Trading to independent third parties at the time when the purchase order is placed by Fuzhou Chaoda.

We consider that the terms of the Proposed Transactions under the 2009 Agreement is fair and reasonable as the pricing mechanism will ensure the price paid by the Group for the organic fertilisers will not be higher than that offered by Fujian Chaoda Trading to independent third parties.

We have reviewed sample sales contracts selected on a random basis for the Existing Transactions, and compared with similar transactions conducted between Fujian Chaoda Trading and other independent third parties for each of the three financial years ending 30 June 2009. We note that the terms offered by Fujian Chaoda Trading to the Group are no less favourable than that offered to independent third parties.

LETTER FROM SOMERLEY

3. Proposed Annual Caps

The Proposed Transactions are subject to the Listing Rules' requirements and conditions as more particularly discussed under the section headed "Reporting requirements and conditions of the Proposed Transactions" below. In particular, the Proposed Transactions are subject to the Proposed Annual Caps as discussed below.

Review of historical figures

Set out below are the aggregate values and quantities of purchases of organic fertilisers by the Group from Fujian Chaoda Trading under the 2006 Agreement and also the relevant production figures of the Group for the two financial years ended 30 June 2007 and 2008 and the six months ended 31 December 2007 and 2008 ("Track Record Period"):

	Year ended 30 June		Six months ended	
	2007	2008	31 December	2008
Purchase of organic fertilisers (<i>RMB'000</i>)	376,336	530,310	224,997	268,077
Quantities for the purchase of organic fertilisers (<i>tonnes</i>) <A>	250,891	353,540	149,998	178,718
Quantities for the sales of crops (<i>tonnes</i>) 	1,554,799	1,972,658	909,946	1,166,498
% increase in quantities for the sales of crops (<i>tonnes</i>) (<i>Note</i>)	39%	27%	32%	28%
Total agricultural production areas (<i>mu</i>) <C>	363,656	494,815	449,155	572,975
% increase in agricultural production areas (%) (<i>Note</i>)	31%	36%	43%	28%
Organic fertilisers to crops (%) <A/B>	16%	18%	16%	15%
Crops to production areas ratio (<i>tonnes per mu</i>) <B/C>	4.3	4.0	2.0	2.0

Note: The comparison was made with the last corresponding period

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The aggregate value for the purchase of organic fertilisers from Fujian Chaoda Trading in the financial year ended 30 June 2008 grew by approximately 41% when compared to 2007. The value of the Existing Transactions for the six months ended 31 December 2008 accounted for approximately 51% of the Group's total purchase from Fujian Chaoda Trading in the financial year ended 30 June 2008. The average price for the organic fertilisers purchased from Fujian Chaoda Trading remained stable during the Track Record Period. The Directors confirmed that the agricultural business is subject to a seasonal factor and consumption of fertilisers in the second half of each financial year is much higher than the first half. The size of agricultural areas available for cultivation principally determines the Group's output of crops. The growth in quantities for the sales of crops of approximately 39%, 27%, 32% and 28% in the financial years ended 30 June 2007, 2008 and six months ended 31 December 2007, 2008 respectively, is largely in line with the respective 31%, 36%, 43% and 28% increase in agricultural production areas in the corresponding period. The crops to production areas ratio remained stable during the Track Record Period. There is a direct positive relationship between the amount of agricultural produces cultivated and the consumption of organic fertilisers, which is between 15% to 18% based on past patterns. With the rapid growth of agricultural production areas, the purchase from Fujian Chaoda Trading was in an upward trend during the Track Record Period.

Assessment of the Proposed Annual Caps

Set out below are the Proposed Annual Caps for each of the three financial years ending 30 June 2012:

	Year ending 30 June		
	2010	2011	2012
	RMB'000	RMB'000	RMB'000
Purchase of organic fertilisers from Fujian Chaoda Trading	870,000	1,080,000	1,350,000

In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the Directors the basis and assumptions underlying the projection of the Proposed Annual Caps.

The Directors expect that consumption of organic fertilisers by the Group will continue to grow in the three financial years ending 30 June 2012 as the Group has planned to increase crop cultivation by expanding its agricultural production areas. In February 2009, the Company has raised net proceeds of approximately HK\$391 million through a placement of new Shares and are intended to use for expansion of operations such as acquisition of farmland and general working capital. According to the Company's 2008/2009 interim report as of 31 December 2008, the Group had long-term prepaid rentals for the farmland which has not yet been occupied by the Group of approximately RMB1 billion. The total agricultural land reserves of the Group for crop farming were approximately 300,000 mu, which land are currently in preparation stage and will be ready to put into production in the coming financial years.

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The US\$225 million guaranteed senior notes are due in February 2010 and the Company has to use partial of its cash reserve for the repayment of the notes. As such, the expected growth rate for expansion of the agricultural production areas for the Group in the financial year ending 30 June 2010 will be approximately 20% as compared to the growth rate of 36% in 2008. With the Group's existing land reserves and its continual efforts to increase agricultural land areas, the Directors expect that the Group's agricultural production areas will increase by approximately 20% for the financial year ending 30 June 2010 and 25% for each of 2011 and 2012. Based on its experiences and the historical records, the Group's output of crops is also expected to increase correspondingly by approximately 20%, 25% and 25% in the financial years ending 30 June 2010, 2011 and 2012 respectively. In estimating the Proposed Annual Caps, the Directors apply the organic fertilisers to crops ratio in the financial year ended 30 June 2008 of approximately 18% and provide a general buffer of 2% for possible fluctuations in demand for organic fertilisers and price adjustments. Following the historical pattern and making reference to the 22% growth on the Group's forecasted sales of crops for the financial year ending 30 June 2009 of approximately 2,399,000 tonnes when compared to 2008, it is estimated that the quantities of organic fertilisers to be purchased from Fujian Chaoda Trading in the coming three years ending 30 June 2010, 2011 and 2012 would be approximately 576,000 tonnes, 720,000 tonnes and 899,000 tonnes respectively. By adopting the existing average price of the organic fertilisers purchased from Fujian Chaoda Trading during the Track Record Period, the Proposed Annual Caps for the three financial years ending 30 June 2010, 2011 and 2012 are RMB870 million, RMB1,080 million and RMB1,350 million respectively.

Having considered the Group's robust historical growth in agricultural production areas and its continual efforts to increase agricultural land areas, we consider the projected increase in agricultural production areas is reasonable. After taking into account the factors, including the historical fertiliser consumption pattern and its relation with the quantities of crops output, we are of the view that the Proposed Annual Caps are fair and reasonable.

4. Reporting requirements and conditions of the Proposed Transactions

Pursuant to Rules 14A.37 to 14A.40, the Proposed Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Proposed Transactions and confirm in the annual report and accounts that the Proposed Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;

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- (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Proposed Transactions:
 - (i) have received the approval of the Board;
 - (ii) have been entered into in accordance with the relevant agreements governing the transactions; and
 - (iii) have not exceeded the Proposed Annual Caps;
- (c) the Company shall allow, and shall procure the relevant counterparties to the Proposed Transactions shall allow, the Company's auditors with sufficient access to their records for the purpose of the reporting on the Proposed Transactions as set out in paragraphs (b);
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in the newspaper if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and (b) respectively.

In light of the reporting requirements attached to the Proposed Transactions, in particular, (i) the restriction of the value of the Proposed Transactions by way of the Proposed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the Proposed Transactions and the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Proposed Transactions and assist to safeguard the interests of the Independent Shareholders.

LETTER FROM SOMERLEY

OPINION

Having taken into account the above principal factors, we consider that the Proposed Transactions are in the ordinary and usual course of business of the Group and the 2009 Agreement is on normal commercial terms. We also consider that the Proposed Transactions (including the Proposed Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the 2009 Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the 2009 Agreement and the Proposed Transactions (including the Proposed Annual Caps).

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Maggie Chan
Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, which to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this circular misleading.

DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required and notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Listing Rules were as follows:

Long Positions in Shares of the Company

Name of Director	Nature of interests	Number of shares held	Total	Approximate percentage of shareholding
Mr. Kwok Ho	Personal interests Interest of controlled corporation (Note)	1,028,000 642,064,644	643,092,644	24.39%
Mr. Ip Chi Ming	Personal interests	10,000	10,000	0.00%
Mr. Chan Chi Po, Andy	Personal interests	116,128	116,128	0.00%

Note: 642,064,644 Shares are held by Kailey. By virtue of his 100% shareholding in Kailey, Mr. Kwok is deemed or taken to be interested in the 642,064,644 Shares owned by Kailey.

Long Positions in Underlying Shares of the Company

Share Options in the Company

Name of Director	Nature of interests	Date of grant	Exercise period	Exercise Price	Number of Shares in respect of share options outstanding as at the Latest Practicable Date
				HK\$ (Note)	(Note)
Mr. Kwok Ho	Beneficial	28/01/2003	01/07/2003 to 27/01/2013	1.500	22,113,000
	Owner	28/01/2003	01/01/2004 to 27/01/2013	1.500	22,113,000
		28/01/2003	01/01/2005 to 27/01/2013	1.500	22,113,000
Mr. Ip Chi Ming	Beneficial	17/08/2005	17/08/2009 to 16/08/2015	2.935	631,800
	Owner	24/10/2008	24/10/2008 to 23/10/2018	3.846	1,220,000
Dr. Li Yan (Dr. Lee Yan)	Beneficial	04/11/2005	04/11/2009 to 03/11/2015	2.815	421,200
	Owner	24/10/2008	24/10/2008 to 23/10/2018	3.846	2,080,000
Ms. Huang Xie Ying (Ms. Wong Hip Ying)	Beneficial	04/11/2005	04/11/2005 to 03/11/2015	2.815	421,200
	Owner	04/11/2005	04/11/2006 to 03/11/2015	2.815	421,200
		04/11/2005	04/11/2007 to 03/11/2015	2.815	421,200
		04/11/2005	04/11/2008 to 03/11/2015	2.815	421,200
		04/11/2005	04/11/2009 to 03/11/2015	2.815	421,200
		24/10/2008	24/10/2008 to 23/10/2018	3.846	3,120,000
Mr. Kuang Qiao (Mr. Fong Jao)	Beneficial	04/11/2005	04/11/2009 to 03/11/2015	2.815	421,200
	Owner	24/10/2008	24/10/2008 to 23/10/2018	3.846	120,000
Mr. Chen Jun Hua	Beneficial	17/08/2005	17/08/2009 to 16/08/2015	2.935	631,800
	Owner	24/10/2008	24/10/2008 to 23/10/2018	3.846	2,120,000
Mr. Chan Chi Po, Andy	Beneficial	17/08/2005	17/08/2007 to 16/08/2015	2.935	423,800
		17/08/2005	17/08/2008 to 16/08/2015	2.935	631,800
	Owner	17/08/2005	17/08/2009 to 16/08/2015	2.935	631,800
		24/10/2008	24/10/2008 to 23/10/2018	3.846	3,120,000

Note: The number of Shares comprised in the share options granted and outstanding as at the Latest Practicable Date. The number of Shares and the exercise price per Share under the share option scheme have been adjusted as a result of bonus issues of Shares approved at the annual general meetings of the Company held on 19 December 2003, 28 November 2007 and 10 December 2008.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company, as at the Latest Practicable Date, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of shareholding
Kailey Investment Ltd. <i>(Note)</i>	Beneficial owner	642,064,644	24.35%
Janus Capital Management LLC	Investment manager	273,294,485	10.37%

Note: Kailey is a company incorporated in the British Virgin Islands with limited liability, which is legally, beneficially and wholly owned by Mr. Kwok.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, there were no other persons or companies (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2008, being the date to which the latest published audited consolidated accounts of the Group were made up.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered or proposed to enter service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have since 30 June 2008 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of or by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement subsisting at such date and which was significant in relation to the business of the Group.

COMPETING BUSINESS INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and so far as the Directors were aware, no litigation or claims of material importance were pending or threatened by or against the Company or any of its subsidiaries.

QUALIFICATION, INTERESTS AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given a letter which is contained or referred to in this circular:

Name	Qualifications
Somerley	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, Somerley has confirmed that it does not have any shareholding in any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. At such date, Somerley does not have any interest, direct or indirect, in any assets which have since 30 June 2008 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of or by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Somerley has given and has not withdrawn its written consent to the issue of this circular with its letter and the reference to its name included herein in the form and context in which they are respectively included.

MISCELLANEOUS

- (a) The head office and principal place of business of the Company in Hong Kong is at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The registered office of the Company is at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies and the share registrars and transfer office of the Company is Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (b) The secretary of the Company is Ms. Yeung Pik Chun, Colana, a barrister and member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.
- (c) In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong from 4 June 2009 for a period of 14 days:

- (a) the 2009 Agreement;
- (b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 12 to 13 of this circular;
- (c) the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 14 to 21 of this circular;
- (d) the written consent referred to in the paragraph headed "Qualification, Interests and Consent of Expert" in this appendix; and
- (e) the memorandum and articles of association of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 IS HEREBY GIVEN that an extraordinary general meeting of Chaoda Modern Agriculture (Holdings) Limited (the “Company”) will be held at Room 2705, 27th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 26 June 2009 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following ordinary resolution:

“THAT:

- (1) the entering into the organic fertilizers supply agreement dated 15 May 2009 made between Fuzhou Chaoda Modern Agriculture Development Company Limited (福州超大現代農業發展有限公司) and Fujian Chaoda Agricultural Produce Trading Company Limited (福建超大農業產品銷售有限公司) (the “2009 Agreement”, a copy of which is marked “A” and has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved;
- (2) the Proposed Transactions (as defined and more particularly described in the circular of the Company to its shareholders dated 4 June 2009 (the “Circular”, a copy of which is marked “B” and has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification)) be and are hereby approved subject to the Proposed Annual Caps (as defined and more particularly described in the Circular);
- (3) the Proposed Annual Caps (as defined and more particularly described in the Circular) be and are hereby approved and confirmed;
- (4) the directors of the Company (the “Directors”) be and are hereby authorised from time to time to approve and/or to enter into, on behalf of the Company, any matter or transactions at any time relating to or under the 2009 Agreement subject to the Proposed Annual Caps (as defined and more particularly described in the Circular); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (5) each of the Directors be and is hereby authorized to sign, seal, execute, perfect and deliver all such documents, undertakings and deeds or to do anything on behalf of the Company which he or she may consider necessary, desirable or expedient for the purposes of, or in connection with, the implementation of the 2009 Agreement, the Proposed Transactions (as defined and more particularly described in the Circular) and/or the Proposed Annual Caps (as defined and more particularly described in the Circular) and any matters relating thereto.”

By Order of the Board
Yeung Pik Chun, Colana
Company Secretary

Hong Kong, 4 June 2009

Notes:

- 1. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy needs not be a shareholder of the Company.*
- 2. To be valid, a form of proxy, 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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- 3. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*
- 4. At the meeting, the chairman of the meeting will exercise his power under Article 80 of the Articles of Association of the Company to put the above resolution 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.*