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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 stockbroker or other registered dealer, 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 and the 2006/2007 Annual Report 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
BONUS ISSUE OF SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Chaoda Modern Agriculture (Holdings) Limited 超大現代農業(控股)有限公司 to be held at Lounge, M/F., Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Wednesday, 28 November 2007 at 10:30 a.m. is set out on pages 19 to 23 of this circular.

Whether or not you are able to attend the Annual 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 the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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

“2006 AGM”	the annual general meeting of the Company held on Tuesday, 28 November 2006 at 10:30 a.m.;
“2006/2007 Annual Report”	the annual report of the Company for the year ended 30 June 2007;
“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 Wednesday, 28 November 2007 at 10:30 a.m., notice of which is set out on pages 19 to 23 of this circular, or any adjournment thereof;
“Articles of Association”	articles of association of the Company;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bonus Issue”	the proposed conditional issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one bonus share for every eighty existing Shares held on the Record Date upon and subject to the terms and conditions set out in this circular;
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue and distributed pursuant to the Bonus Issue;
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC;
“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 shares of which are listed on the Stock Exchange;

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## DEFINITIONS

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“connected person”	has the meaning ascribed to it under the Listing Rules;
“Convertible Bonds”	HK\$1,344,000,000 zero coupon convertible bonds due on 8 May 2011 which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Final Dividend”	the final dividend of HK5.60 cents per Share recommended by the Board for the year ended 30 June 2007;
“Group”	the Company and its subsidiaries;
“Guaranteed Senior Notes”	US\$225,000,000, 7.75% guaranteed senior notes due on 8 February 2010 which are listed on the Singapore Exchange Securities Trading Limited;
“HK\$” and “HK cents”	Hong Kong dollars and Hong Kong cents respectively, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	27 October 2007, 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;
“Overseas Shareholders”	Shareholders whose addresses as shown in the register of members of the Company at the close of business on the Record Date are outside Hong Kong;
“PRC”	the People’s Republic of China;
“Record Date”	Wednesday, 28 November 2007, being the date for determination of entitlement to the Final Dividend and Bonus Issue;

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to purchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the relevant resolution;
“Retiring Directors”	Directors, namely Mr. Ip Chi Ming, Dr. Lee Yan, Ms. Wong Hip Ying and Ms. Luan Yue Wen, shall retire from office by rotation 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 issued share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares, with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the relevant resolution;
“Share Option(s)”	share option(s) of the Company granted to eligible participants pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Shareholders at the extraordinary general meeting held on 19 June 2002;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases; and
“%”	per cent.

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## EXPECTED TIMETABLE

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2007

Latest date of dealing in Shares cum entitlements to Final Dividend and Bonus Issue .....	Wednesday, 21 November
First date of dealing in Shares ex entitlements to Final Dividend and Bonus Issue .....	Thursday, 22 November
Latest time for lodging transfers for entitlements to Final Dividend and Bonus Issue .....	4:00 p.m. on Friday, 23 November
Book close period (both days inclusive) .....	from Monday, 26 November to Wednesday, 28 November
Record Date for determination of entitlement to Final Dividend and Bonus Issue .....	Wednesday, 28 November
Register of Members re-opens .....	Thursday, 29 November
Proxy forms for the Annual General Meeting to be returned by .....	10:30 a.m. on Monday, 26 November
Annual General Meeting .....	10:30 a.m. on Wednesday, 28 November
Despatch of dividend cheques and certificates for Bonus Shares.....	on or before Monday, 10 December
Earliest expected day of trading in Bonus Shares .....	Wednesday, 12 December

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Kwok Ho (*Chairman*)

Ip Chi Ming

Lee Yan

Wong Hip Ying

Fong Jao

Chen Jun Hua

Chan Chi Po, Andy

*Registered Office:*

P.O. Box 309, Uglan House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

*Independent Non-executive Directors:*

Fung Chi Kin

Tam Ching Ho

Lin Shun Quan

Luan Yue Wen

*Principal Office in Hong Kong:*

Room 2705, 27th Floor

China Resources Building

26 Harbour Road

Wanchai, Hong Kong

30 October 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
BONUS ISSUE OF SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

At the 2006 AGM, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares and to issue Shares. Such mandates will lapse at the conclusion of the Annual General Meeting unless they are renewed at that meeting.

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## LETTER FROM THE BOARD

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It was announced on 16 October 2007, in conjunction with the announcement of the audited consolidated results of the Group for the year ended 30 June 2007, that an issue of new Shares by the Company by way of Bonus Issue would be proposed to the Shareholders at the Annual General Meeting. It was also announced on that date that the Directors recommended the payment of a final dividend of HK5.60 cents per Share for the year ended 30 June 2007.

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting, which include (i) the grant of the Repurchase Mandate and Share Issue Mandate; (ii) the Bonus Issue and (iii) re-election of the Retiring Directors. Detailed explanations are provided to enable you to make an informed decision on whether to vote for or against them.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

An ordinary resolution will be proposed at the Annual General Meeting to give the Directors the Repurchase Mandate to purchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the 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 Repurchase Mandate is set out in Appendix I to this circular.

### **3. GENERAL MANDATE TO ISSUE SHARES**

An ordinary resolution will be proposed at the Annual General Meeting to give the Directors the Share Issue Mandate to allot, issue and deal with Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the 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.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the Share Issue Mandate, an ordinary resolution will also be proposed to extend the Share Issue Mandate by adding to it the number of Shares purchased by the Company under the Repurchase Mandate.



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## LETTER FROM THE BOARD

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### 4. BONUS ISSUE OF SHARES

#### (a) Introduction

The Directors has proposed that the Bonus Issue will be made on the basis of one new Share, credited as fully paid, for every eighty existing Shares held by the Shareholders whose name appear on the register of members of the Company on the Record Date. The Bonus Shares will rank pari passu in all respects with the Shares in issue, save and except that they will not be entitled to participate in the Final Dividend.

Based on 2,387,334,150 Shares in issue at the Latest Practicable Date and on the assumption that no new Shares are allotted or issued and no existing Shares are repurchased prior to the Record Date, the total number of Bonus Shares to be issued will be 29,841,676. It is proposed that the Directors be authorized to capitalize an amount of approximately HK\$2,984,167.60 standing to the credit of the share premium account of the Company and to apply such amount in paying up in full the Bonus Shares.

#### (b) Conditions of the Bonus Issue

The Bonus Issue is conditional upon (i) the passing of the ordinary resolution of the Company to approve the Bonus Issue at the Annual General Meeting; and (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be issued and allotted pursuant to the Bonus Issue.

#### (c) Reasons for the Bonus Issue

The Directors believe that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company and provide the Shareholders with an opportunity to obtain further equity participation in the Company. It will also provide the Company with a wider capital base and enhance the liquidity of the Shares in the market.

#### (d) Fractions of Bonus Shares

Fractional entitlements to the Bonus Shares will not be allotted by the Company. Bonus Shares representing fractional entitlement will be aggregated and sold for the benefit of the Company.

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## LETTER FROM THE BOARD

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**(e) Overseas Shareholders**

As at the Latest Practicable Date, there were two Shareholders whose addresses are outside Hong Kong, in Canada and the United Kingdom. The Directors has made enquiry regarding the legal restrictions under the laws of Canada and the United Kingdom and the requirements of the relevant regulatory body or stock exchange in respect of allotting the Bonus Shares to these Overseas Shareholders. The Directors have been advised by the relevant legal advisers that there are no such restrictions for extending the Bonus Issue to these Overseas Shareholders. Accordingly, if the Bonus Issue is approved by Shareholders in the Annual General Meeting, Bonus Shares will be allotted to these Overseas Shareholders.

The Directors will seek legal advice on the applicable procedural requirements for extending the Bonus Issue to other Overseas Shareholders if, at the close of business on the Record Date, there are other Overseas Shareholders whose addresses are recorded on the register of members of the Company in a place outside Hong Kong.

Overseas Shareholders will not be allotted the Bonus Shares if after making such enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in that place, the Directors consider such exclusion to be necessary or expedient. Overseas Shareholders affected by any of the above will not be allotted the Bonus Shares. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, the amount of net proceeds payable to any particular Shareholders is less than HK\$100, the net proceeds will be paid to and for the benefit of the Company and will not be paid to the Shareholders affected.

**(f) Adjustment to outstanding Share Options**

As at the Latest Practicable Date, options relating to 214,960,950 Shares remained outstanding under the Share Option Scheme. In accordance with the terms and conditions of the Share Option Scheme, in the case of an issue of Share by way of the capitalization of profits or reserve, the auditors of the Company or an independent financial adviser appointed for this purpose will certify by a statement in writing whether adjustment(s) shall be made as to (i) the number of Shares

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## LETTER FROM THE BOARD

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comprised in each option for the time being outstanding; and/or (ii) the exercise price of the option and that, in their opinion, the adjustment(s) proposed are fair and reasonable. As at the Latest Practicable Date, adjustments (if any) to the outstanding options are yet to be determined. However, any adjustment(s) required under Rule 17.03(13) of the Listing Rules must give a holder of options the same proportion of the equity capital as that person was previously entitled, but no such adjustment may be made to the extent that a Share would be issued at less than its nominal value.

Upon the approval of the Shareholders in respect of the Bonus Issue, any adjustment(s) to the outstanding share options will be certified in writing by the auditors of the Company and further announcement regarding details of such adjustment(s) will be made when appropriate.

**(g) Adjustment to the outstanding Convertible Bonds**

Convertible Bonds with aggregate principal amount of HK\$1,344,000,000 were outstanding as at the Latest Practicable Date. Upon full exercise of the conversion rights attached to the Convertible Bonds at the conversion price of HK\$6.72 per Share (subject to adjustments), an aggregate of 200,000,000 new Shares will be allotted and issued.

Pursuant to the terms and conditions of the Convertible Bonds, holders of the outstanding Convertible Bonds who have not exercised the conversion rights attached to the Convertible Bonds in full prior to the Record Date will be entitled to adjustment to the conversion price of the outstanding Convertible Bonds. Holders of the outstanding Convertible Bonds will be notified of the adjusted conversion price of the outstanding Convertible Bonds accordingly. Further announcement regarding details of the adjustment(s) to the conversion price of the outstanding Convertible Bonds will be made when appropriate.

**(h) Listing and Dealings**

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Bonus Shares. Subject to the granting of listing of and permission to deal in the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from the date of commencement

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## LETTER FROM THE BOARD

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of dealings in the Bonus Shares or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day thereafter. All activities under the CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from time to time. It is expected that the first date of dealings in Bonus Shares will commence on or about 12 December 2007.

Save for the Shares, Guaranteed Senior Notes and Convertible Bonds as disclosed herein, no part of the equity or debt securities of the Company are listed or dealt in any other stock exchanges nor is listing or permission to deal in the same being or proposed to be sought on from any other stock exchanges.

**(i) Certificates of Bonus Shares**

Certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the register of members of the Company or, in the case of joint holders, to the address of the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. All such share certificates are expected to be posted at the risk of the persons entitled thereto on or around 10 December 2007. Neither the Company nor the Company's share registrar will be responsible for any loss or delay in transmission.

**(j) Closure of Register of Members**

The register of members of the Company will be closed from Monday, 26 November 2007 to Wednesday, 28 November 2007 (both days inclusive). During this period, no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfer forms of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, namely, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 23 November 2007.

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

In accordance with Article 116A of the Articles of Association, the Retiring Directors shall retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-election. Information on the Retiring Directors required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 6. ANNUAL GENERAL MEETING

A notice dated 30 October 2007 convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate to cover the Shares purchased by the Company pursuant to the Repurchase Mandate, the Bonus Issue and the re-election of Retiring Directors, is set out on pages 19 to 23 of this circular.

Whether or not you are able to attend the Annual 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 the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

### 7. PROCEDURES TO DEMAND A POLL BY SHAREHOLDERS AT THE ANNUAL GENERAL MEETING

Pursuant to Article 80 of the Articles of Association, a resolution put to the vote of a general meeting of the Company (including the Annual General Meeting) shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five Shareholders present in person or, in the case of a corporation, by its duly authorised representative or by proxy and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or, in the case of a corporation, by its duly authorised representative or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or, in the case of a corporation, by its duly authorised representative or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice dated 30 October 2007 convening the Annual General Meeting, including the grant of the Repurchase Mandate and the Share Issue Mandate, the extension of the Share Issue Mandate to cover the Shares purchased by the Company pursuant to the Repurchase Mandate, the Bonus Issue and the re-election of Retiring Directors 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 all proposed resolutions at the Annual General Meeting.

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

*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 Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,387,334,150 Shares.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 238,733,415 Shares.

## **2. REASONS FOR REPURCHASES OF SHARES**

The Directors believe that the Repurchase 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 repurchase 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 repurchases 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 REPURCHASE**

In repurchasing securities, the Company may only apply funds legally available for such purposes in accordance with its Memorandum and Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. Under the laws of the Cayman Islands, repurchases 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 authorized by the Articles of Association and subject to the provisions of the laws of the Cayman Islands, out of capital.

On the basis of the consolidated financial position of the Company as at 30 June 2007 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital requirements of the Company as at 30 June 2007 and the number of issued Shares in issue as at the Latest Practicable Date, the Directors consider that there might be an adverse impact on the working capital position and the gearing position of the Company in the event that repurchases of all the Shares under the Repurchase Mandate were to be carried out in full during the period of the Repurchase Mandate.

The Director do not propose to exercise the Repurchase Mandate to such extent as would, in circumstances, have a material adverse effect on the working 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 <i>HK\$</i>	traded price <i>HK\$</i>
October 2006	5.12	4.50
November 2006	4.98	4.39
December 2006	5.10	4.55
January 2007	6.20	5.02
February 2007	6.32	5.02
March 2007	5.95	4.00
April 2007	6.60	5.48
May 2007	6.97	6.28
June 2007	7.90	4.95
July 2007	6.43	5.63
August 2007	6.23	4.41
September 2007	6.50	5.78
October 2007 (up to the Latest Practicable Date)	7.76	6.40

#### 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 repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and 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, their associates, have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the Annual General Meeting.

No connected persons 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 Repurchase Mandate is approved by the Shareholders at the Annual General Meeting.



**6. TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of repurchase(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 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 609,748,000 Shares, representing approximately 25.54% of the issued share capital of the Company. On the assumption that the issued share capital of the Company remain 2,387,334,150 Shares and in the event that the Directors exercise the power to repurchase Shares in full pursuant to the Repurchase Mandate, the shareholding of Mr. Kwok Ho and his associates in the Company will be increased to approximately 28.38%. 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.

**7. SHARE REPURCHASE 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).

The details of the Retiring Directors as referred to in resolution numbered 3 of the notice of the Annual General Meeting, subject to re-election, are as follows:

**Mr. IP Chi Ming**, aged 46, is an Executive Director of the Group and the General Manager of Chaoda Vegetable & Fruits Limited. Mr. Ip is primarily responsible for the management and promotion matters of the Group as well as the establishment of close relationship with media and investors. He joined the Group in January 1997 and has over 20 years of experience in trading and marketing in the food products industry. Mr. Ip is the directors of some of the subsidiaries of the Company. He is also the non-executive vice chairman of Asian Citrus Holdings Limited, which is an associated company of the Company and was listed on the Alternative Investment Market of the London Stock Exchange in August 2005.

Pursuant to his service agreement with the Company dated 30 September 2006, the term of service with the Company may be terminated by either party by written notice of not less than three months and is subject to rotation, retirement and re-election at annual general meeting under the Articles of Association. Mr. Ip's salary is HK\$50,000 per month and he may also receive an annual bonus, payable on 31 December in each year, equivalent to the average of one month's salary earned in the previous twelve months. The amount of his emoluments is determined by the remuneration committee of the Company within the terms of the policy adopted by the Board and in consultation with the chairman and/or chief executive officer of the Company as appropriate. Further details of emoluments of Mr. Ip is specified in note 14 to the financial statements of the 2006/2007 Annual Report.

As at the Latest Practicable Date, Mr. Ip has interests in Share Options to subscribe for 1,200,000 Shares at an exercise price of HK\$3.09 within the meaning of Part XV of the SFO. Further details of his interest in the underlying shares of the Company were specified in the section headed "Directors' and Chief Executives' Interests in Securities" of the Directors' Report disclosed in the 2006/2007 Annual Report. He does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matters that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Dr. LEE Yan**, aged 43, is an Executive Director of the Group. Dr. Lee is primarily responsible for the Group's research and innovation technology management. He received his doctorate degree in Plant Nutrition and Horticulture at Fujian Agricultural University and was appointed professor of the Faculty of Horticulture at the University. Dr. Lee has extensive experience in agricultural farming, particularly in the areas of planting and cultivation methods, as well as pest and disease management. He joined the Group in January 1997.

Pursuant to his service agreement with the Company dated 30 September 2006, the term of service with the Company may be terminated by either party by written notice of not less than three months and is subject to rotation, retirement and re-election at annual general meeting under the Articles of Association. Dr. Lee's salary is HK\$6,500 per month and he may also receive an annual bonus, payable on 31 December in each year, equivalent to the average of one month's salary earned in the previous twelve months. The amount of emoluments is determined by the remuneration committee of the Company within the terms of the policy adopted by the Board and in consultation with the chairman and/or chief executive officer of the Company as appropriate. Further details of emoluments of Dr. Lee is specified in note 14 to the financial statements of the 2006/2007 Annual Report.

As at the Latest Practicable Date, Dr. Lee has interests in Share Options to subscribe for 2,100,000 Shares at an exercise price of HK\$1.58, 1,075,000 Shares at an exercise price of HK\$1.09 and 2,000,000 Shares at an exercise price of HK\$2.965 within the meaning of Part XV of the SFO. Further details of his interest in the underlying shares of the Company were specified in the section headed "Directors' and Chief Executives' Interests in Securities" of the Directors' Report disclosed in the 2006/2007 Annual Report. He does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matters that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Ms. WONG Hip Ying**, aged 59, is an Executive Director of the Group. Ms. Wong is primarily responsible for the Group's finance management function. She graduated from Xiamen Economic College. Ms. Wong joined the Group in January 1997 and has over 15 years of extensive experience in the accounting field in the PRC. Ms. Wong was appointed an Executive Director of the Group on 1 September 2003.

Pursuant to her service agreement with the Company dated 30 September 2006, the term of service with the Company may be terminated by either party by written notice of not less than three months and is subject to rotation, retirement and re-election at annual general meeting under the Articles of Association. Ms. Wong's salary is HK\$6,500 per month and she may also receive an annual bonus, payable on 31 December in each year, equivalent to the average of one month's salary earned in the previous twelve months. The amount of emoluments is determined by the remuneration committee of the Company within the terms of the policy adopted by the Board and in consultation with the chairman and/or chief executive officer of the Company as appropriate. Further details of emoluments of Ms. Wong is specified in note 14 to the financial statements of the 2006/2007 Annual Report.

As at the Latest Practicable Date, Ms. Wong has interests in Share Options to subscribe for 2,000,000 Shares at an exercise price of HK\$2.965 within the meaning of Part XV of the SFO. Further details of her interest in the Shares and the underlying shares of the Company were specified in the section headed “Directors’ and Chief Executives’ Interests in Securities” of the Directors’ Report disclosed in the 2006/2007 Annual Report. She does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matters that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Ms. LUAN Yue Wen**, aged 47, is an Independent Non-executive Director of the Company and a member of the Board’s committees (Audit and Remuneration Committees). Ms. Luan holds a professional diploma in Computer Science, a professional diploma in Economic Law, a professional diploma in Financial Accounting, a Master Degree in Business Administration and a Master Degree in Building Construction and Real Estate Project Management. Ms. Luan has over 19 years of experience in the financial accounting and auditing field. Ms. Luan is a member of the Chinese Institute of Certified Public Accountants and also a member of the Chinese Institute of Valuers. Ms. Luan was appointed an Independent Non-executive Director on 20 September 2004.

Ms. Luan has a letter of appointment with the Company for a term of two years commencing on 20 September 2006, which may be terminated by either party by written notice of not less than three months. She is, however, subject to rotation, retirement and re-election at annual general meeting under the Articles of Association. With effect from 1 September 2006, she is entitled to a salary of HK\$10,000 per month or such higher sum as the Company may from time to time decide with reference to the recommendations made by the remuneration committee of the Company. Further details of remuneration of Ms. Luan is specified in note 14 to the financial statements of the 2006/2007 Annual Report.

As at the Latest Practicable Date, Ms. Luan does not have any interests in the Shares within the meaning of Part XV of the SFO. She does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matters that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that 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 Wednesday, 28 November 2007 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of directors and the auditors for the year ended 30 June 2007.
2. To approve the final dividend for the year ended 30 June 2007.
3. To re-elect the retiring directors of the Company and to authorise the board of directors of the Company (the “Directors”) to fix the directors’ remuneration.
4. To re-appoint Grant Thornton as auditors of the Company and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments the following ordinary resolutions:

#### **Ordinary Resolutions**

(A) **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase or otherwise acquire shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(ii) the aggregate nominal amount of the shares of the Company which are authorised to be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing 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 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.”

(B) “**THAT**

(i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

(ii) the approval in paragraph (i) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option

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or otherwise) by the Directors pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to or in consequence of:

- (a) a Rights Issue (as defined below);
- (b) the exercise of options under any share option scheme or similar arrangement for the time being adopted for the grant or issue to option holders of shares in the Company;
- (c) the exercise of any rights of conversion under any convertible bonds, debentures or notes issued by the Company;
- (d) the exercise of the subscription rights attaching to any warrants which may be issued by the Company; and/or
- (e) any scrip dividend or similar arrangement provided for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (iv) 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 upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors

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## NOTICE OF ANNUAL GENERAL MEETING

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may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

(C) **“THAT**

conditional upon the passing of the resolutions in No. 5(A) and No. 5(B) of this notice, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution in No. 5(B) of this notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company purchased or otherwise acquired by the Company pursuant to the authority granted to the Directors under the resolution in No. 5(A) of this notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

(D) **“THAT**

conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares (as defined below) to be issued pursuant to this resolution,

- (i) an amount of approximately HK\$2,984,167.60 standing to the credit of the share premium account of the Company be capitalized in accordance with Article 142 of the articles of association of the Company and the Directors be and are hereby authorized to apply such amount in paying up in full at par 29,841,676 new ordinary shares of HK\$0.10 each in the capital of the Company (the “Bonus Shares) to be allotted, issued and distributed, credited as fully paid, to the members of the Company whose names appear on the register of the members of the Company at the close of business on 28 November 2007 on the basis of one Bonus Share for every eighty existing shares of the Company held (the “Bonus Issue”). The Bonus Shares shall rank *pari passu* in all respects with the then existing issued shares of the Company except that they will not be entitled to participate in any dividend declared or recommended by the Company in respect of the financial year ended 30 June 2007;
- (ii) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements (if any) will be aggregated and sold for the benefit of the Company; and



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- (iii) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with or to give effect to the Bonus Issue including but not limited to the issue of the Bonus Shares and adjusting the amount to be capitalized out of the share premium account of the Company and the number of the Bonus Shares to be allotted, issued and distributed in the manner as in paragraph (i) above.”

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

Hong Kong, 30 October 2007

*Notes:*

1. The register of members of the Company will be closed from 26 November 2007 (Monday) to 28 November 2007 (Wednesday), both days inclusive. In order to qualify for the final dividend and the bonus issue, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Abacus Ltd. at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 23 November 2007 (Friday).
2. Any shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. 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 Annual General Meeting or any adjournment thereof. 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. With reference to the resolution in No. 3 of this notice, Mr. Ip Chi Ming, Dr. Lee Yan, Ms. Wong Hip Ying and Ms. Luan Yue Wen will retire by rotation from the office of directorship and being eligible, offer themselves for re-election at the Annual General Meeting. Their information required to be disclosed under the Listing Rules are set out in Appendix II to the circular dated 30 October 2007 (the "Circular").
5. The Circular setting out further information regarding the resolution in No. 5 of this notice has been sent to the shareholders of the Company.