
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Annual Report 2004/5 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.



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)

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

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 Queensway & Victoria, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 25 November 2005 at 10:30 a.m. is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the 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.

28 October 2005

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DEFINITIONS

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

“2004 AGM”	the annual general meeting of the Company held on Thursday, 25 November 2004 at 10:30 a.m.;
“Annual Report 2004/5”	the annual report of the Company for the year ended 30 June 2005 sent together with this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at Queensway & Victoria, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 25 November 2005 at 10:30 a.m., notice of which is set out on pages 13 to 16 of this circular, or any adjournment thereof;
“Articles”	articles of association of the Company;
“associates”	has the meaning ascribed to it under rule 1.01 of the Listing Rules;
“Board”	the board of Directors;
“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;
“connected person”	has the meaning ascribed to it under rule 1.01 of the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25 October 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to purchase Shares, details of which are set out in the proposed resolution numbered 5(A) contained in the notice dated 28 October 2005 convening the Annual General Meeting;
“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 to allot, issue and deal with Shares, details of which are set out in the proposed resolution numbered 5(B) contained in the notice dated 28 October 2005 convening the Annual General Meeting;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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
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

28 October 2005

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

The purpose of this circular is to set out the notice convening the Annual General Meeting and to provide the Shareholders with information regarding the proposed granting of the general mandates to repurchase Shares and to allot and issue Shares and the proposed re-election of Directors to enable the Shareholders to make an informed decision on whether to vote for or against the proposed resolutions in connection with such matters at the Annual General Meeting.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO REPURCHASE SHARES

At the 2004 AGM, a general and unconditional mandate was given to the Directors to exercise all powers of the Company to purchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to give the Directors the Repurchase Mandate to purchase Shares up to a maximum of 10% 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

At the 2004 AGM, a general and unconditional mandate was given to the Directors to issue Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. Ordinary resolutions 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 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) and to extend the Share Issue Mandate by adding to it the number of Shares purchased by the Company under the Repurchase Mandate. Assuming no further Shares are issued and repurchased prior to the Annual General Meeting and based on the issued share capital of the Company of 2,363,640,250 Shares as at the Latest Practicable Date, the Company would be allowed under the Share Issue Mandate to allot and issue a maximum of 472,728,050 Shares.

4. RE-ELECTION OF DIRECTORS

In relation to resolution numbered 3 set out in the notice convening the Annual General Meeting set out on pages 13 to 16 of this circular regarding the re-election of Directors, Ms. Wong Hip Ying, Mr. Fong Jao, Professor Lin Shun Quan, Mr. Chen Jun Hua and Mr. Chan Chi Po, Andy (together the “Retiring Directors”) will retire at the Annual General Meeting in accordance with the Articles and, being eligible, offer themselves for re-election as Directors by the Shareholders.

The biographical details and interests in the Shares of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

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

Pursuant to Article 80 of the Articles, 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 5 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.

6. ANNUAL GENERAL MEETING

A notice dated 28 October 2005 convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Repurchase Mandate, Share Issue Mandate, the extension of the Share Issue Mandate to cover the Shares purchased by the Company pursuant to the Repurchase Mandate and the re-election of Directors, is set out on pages 13 to 16 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. 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.

LETTER FROM THE BOARD

7. BOARD RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice dated 28 October 2005 convening the Annual General Meeting, including the proposed resolutions granting the Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate to cover the Shares purchased by the Company pursuant to the Repurchase Mandate and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommend 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 2,363,640,250 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 236,364,025 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 of association and Articles, 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 authorised by the Articles and subject to the provisions of the laws of Cayman Islands, out of capital.

On the basis of the consolidated financial position of the Company as at 30 June 2005 (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 2005 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 2004	2.975	2.525
November 2004	2.900	2.600
December 2004	3.000	2.650
January 2005	3.275	2.700
February 2005	3.475	3.125
March 2005	3.300	2.825
April 2005	3.175	2.800
May 2005	3.275	2.850
June 2005	3.300	3.025
July 2005	3.225	2.850
August 2005	3.150	2.950
September 2005	3.025	2.850
October 2005 (up to the Latest Practicable Date)	3.175	2.825

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 of association and Articles of the Company 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 828,240,000 Shares, representing approximately 35.04% of the issued share capital of the Company. On the assumption that the issued share capital of the Company remain 2,363,640,250 Shares and based on the shareholding of Mr. Kwok Ho and his associates above, 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 increase to approximately 38.93%. Accordingly, the exercise of the Repurchase Mandate, depending on the timing and the extent of the repurchase of Shares, may give rise to an obligation on Mr. Kwok Ho (and parties acting in concert with it) to make a mandatory offer under Rule 26 of the Takeovers Code. At present, the Company has no intention to exercise the Repurchase Mandate in such way and to such an extent that would cause an obligation for a mandatory offer of Mr. Kwok Ho to arise. The Company may not purchase Shares on the Stock Exchange to such extent as may result in the public shareholding of less than such prescribed minimum percentage under the Listing Rules.

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).

APPENDIX II INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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

Ms. WONG Hip Ying, aged 57, 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 13 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.

Ms. Wong does not hold any position with any of the subsidiaries of the Company. She has not held any directorship in other listed company in the last three years. Ms. Wong has entered a service agreement with the Company for a term of three years commencing on 1 September 2003 and shall continue thereafter unless and until terminated by either the Company or Ms. Wong giving to the other not less than three months' notice in writing. She was entitled to a salary of approximately RMB10,882 per month, which is determined by the Board by reference to her duties and responsibilities with the Company and the market rate. Further details of the remuneration of Ms. Wong is specified in note 15 to the financial statements of the Annual Report 2004/5. Ms. Wong is interested in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as specified in the section headed "Directors' and Chief Executives' Interests in Securities" disclosed in the Directors' Report of the Annual Report 2004/5. Ms. Wong 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 of the Company.

Mr. FONG Jao, aged 34, is an Executive Director of the Group. Mr. Fong is primarily responsible for planning of production base construction, production management, international and domestic trading development, strategic planning, sales and information management of the Group. He graduated from the Faculty of Horticulture (specialised in vegetables) in Nanjing Agricultural University in July 1992 with a bachelor degree in agriculture. Mr. Fong joined the Group in 1996 and has 12 years' extensive experience in agricultural industry. Mr. Fong was appointed an Executive Director of the Group on 1 September 2003.

Mr. Fong does not hold any position with any of the subsidiaries of the Company. He has not held any directorship in other listed company in the last three years. Mr. Fong has entered a service agreement with the Company for a term of three years commencing on 1 September 2003 and shall continue thereafter unless and until terminated by either the Company or Mr. Fong giving to the other not less than three months' notice in writing. He was entitled to a salary of approximately RMB10,882 per month, which is determined by the Board by reference to his duties and responsibilities with the Company and the market rate. Further details of the remuneration of Mr. Fong is specified in note 15 to the financial statements of the Annual Report 2004/5. Mr. Fong is interested in the shares of the Company within the meaning of

APPENDIX II INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Part XV of the Securities and Futures Ordinance as specified in the section headed “Directors’ and Chief Executives’ Interests in Securities” disclosed in the Directors’ Report of the Annual Report 2004/5. Mr. Fong 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 of the Company.

Mr. CHEN Jun Hua, aged 38, is an Executive Director, the Vice President of General Affairs and assistant to the Chairman of the Group. Mr. Chen joined the Group in October 2002. He is mainly responsible for the strategic development planning and administrative management in respect of the business and operations of the Group located in China. Mr. Chen graduated from the China Agricultural University with a bachelor degree in agriculture in 1989. Mr. Chen has over 15 years of experience in agricultural development and administrative management. Mr. Chen was appointed an Executive Director of the Group on 17 August 2005.

Mr. Chen does not hold any position with any of the subsidiaries of the Company. He has not held any directorship in other listed company in the last three years. According to the service contract entered into between the Company and Mr. Chen on 17 August 2005, his appointment will continue until terminated by either the Company or Mr. Chen giving to the other not less than three months’ notice in writing. Mr. Chen is entitled to a salary of HK\$8,000 per month, which is determined by the Board by reference to his experience, qualifications and duties and responsibilities to the Group under his appointment. Mr. Chen is interested in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as specified in the section headed “Directors’ and Chief Executives’ Interests in Securities” disclosed in the Directors’ Report of the Annual Report 2004/5. Mr. Chen 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 of the Company.

Mr. CHAN Chi Po, Andy, aged 38, is an Executive Director and Chief Financial Officer of the Group. Mr. Chan is primarily responsible for financial management, financial information analysis and accounting of the Group. Mr. Chan graduated from The University of Sheffield in the United Kingdom with honours degree in accounting, financial management and economics. Mr. Chan is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in 2003, Mr. Chan served as senior corporate auditor responsible for the Asia Pacific Region of a blue chip company listed on the New York Stock Exchange for about 3 years. Mr. Chan has also held office in an international accounting firm and The Stock Exchange of Hong Kong Limited for a total of about 8 years before joining the Group. Mr. Chan was appointed an Executive Director of the Group on 17 August 2005.

APPENDIX II INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Chan does not hold any position with any of the subsidiaries of the Company. He has not held any directorship in other listed company in the last three years. According to the service contract entered into between the Company and Mr. Chan on 17 August 2005, his appointment will continue until terminated by either the Company or Mr. Chan giving to the other not less than three months' notice in writing. Mr. Chan is entitled to a salary of HK\$70,000 per month, which is determined by the Board by reference to his experience, qualifications and duties and responsibilities to the Group under his appointment. Mr. Chan is interested in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as specified in the section headed "Directors' and Chief Executives' Interests in Securities" disclosed in the Directors' Report of the Annual Report 2004/5. Mr. Chan 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 of the Company.

Professor LIN Shun Quan, aged 47, is an Independent Non-executive Director. Professor Lin received his doctorate degree in Agriculture from Fujian Agricultural University and had been on a two-year sabbatical with Saga University, Japan from 1996 to 1998. He was appointed as professor at Huanan Agricultural University and has extensive experience in the agricultural industry in the PRC. Professor Lin was appointed an Independent Non-executive Director on 17 November 2000.

Professor Lin does not hold any position with any of the subsidiaries of the Company. He has not held any directorship in other listed company in the last three years. Professor Lin has entered a letter of appointment with the Company for a term of two years commencing on 1 December 2004 and shall be entitled to terminate his appointment at any time by giving the Company at least three months' notice in writing. He shall be entitled to a salary of RMB24,000 per annum or such higher sums as the Company may from time to time decide, which is determined by the Board by reference to his duties and responsibilities with the Company and the market rate. Further details of the remuneration of Professor Lin is specified in note 15 to the financial statements of the Annual Report 2004/5. Professor Lin has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. 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 of the Company.

NOTICE OF ANNUAL 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 the Annual General Meeting of Chaoda Modern Agriculture (Holdings) Limited (the “Company”) will be held at Queensway & Victoria, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 25 November 2005 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 2005.
2. To approve the final dividend for the year ended 30 June 2005.
3. To re-elect the retiring directors of the Company and to authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors.
4. To re-appoint auditors and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:—

(A) **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised by The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong for this purpose, subject to and in accordance with all applicable laws and the requirements of the Hong Kong Code on Share Repurchase and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of the shares of the Company which are authorised to be purchased 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 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 way of ordinary resolution of the Company in general meeting.”

(B) **“THAT**

(i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period 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, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;

(ii) the approval in paragraph (i) above shall authorise the directors of the Company 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;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue; or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and directors of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; or (c) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (d) an issue of shares of the Company as scrip dividend or similar arrangement 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 way of 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 of the Company 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 of the Company 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).”

NOTICE OF ANNUAL GENERAL MEETING

(C) “**THAT**

conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 5(B) of the notice convening this meeting 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 of the Company under the resolution set out in paragraph 5(A) of the notice convening this meeting, 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.”

By Order of the Board
Ching Che Man, Susanna
Company Secretary

Hong Kong, 28 October 2005

Notes:

1. The register of members of the Company will be closed from 23 November 2005 (Wednesday) to 25 November 2005 (Friday), both days inclusive, during which period no transfer of shares in the Company can be registered.
2. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 22 November 2005 (Tuesday).
3. Any shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more separate proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a shareholder of the Company.
4. To be valid, a form of proxy in the prescribed form 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.
5. In relation to resolution numbered 3 set out in this notice, the biographical details and interests in the shares of the Company of the directors of the Company who will retire at the Annual General Meeting and, being eligible, offer themselves for re-election as directors of the Company, namely Ms. Wong Hip Ying, Mr. Fong Jao, Professor Lin Shun Quan, Mr. Chen Jun Hua and Mr. Chan Chi Po, Andy are set out in Appendix II to the circular dated 28 October 2005.
6. A circular setting out further information regarding resolution numbered 5 as set out in this notice has been sent to the shareholders of the Company together with the Annual Report 2004/5.