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## IMPORTANT

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Agrotech Holdings Limited (the “Company”), 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 the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim 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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### **China Agrotech Holdings Limited**

**浩倫農業科技集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**PROPOSED WITHDRAWAL OF LISTING  
ON THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED  
AND  
ADOPTION OF SHARE OPTION SCHEME**

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A letter from the board of directors of the Company is set out on pages 5 to 9 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Salon 1, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 31st December, 2001 at 10:00 a.m. is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed 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 of the meeting to the office of the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

\* for identification only

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## CHARACTERISTICS OF GEM

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*GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.*

*Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.*

*The principal means of information dissemination of GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information of GEM-listed issuers.*

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## DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for the business of dealings in securities
“Company”	China Agrotech Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM
“Director(s)”	director(s) of the Company
“Effective Date”	on or about 14th January, 2002, the day on which the Withdrawal becomes effective
“EGM”	the extraordinary general meeting of the Company to be held at Salon 1, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 31st December, 2001 at 10:00 a.m., notice of which is set out on pages 17 to 18 of this circular
“Existing Scheme”	the share option scheme adopted by the Company on 11th November, 1999
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10th December, 2001, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Committee”	the listing sub-committee of the Directors of the Stock Exchange responsible for Main Board listing matters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM
“Main Board Listing”	the proposed listing of the Shares on the Main Board

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## DEFINITIONS

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“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the proposed share option scheme to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Sponsor”	ICEA Capital Limited, a registered dealer under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Withdrawal”	the proposed withdrawal of the listing of the Shares on GEM

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the GEM 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, that to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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## EXPECTED TIMETABLE

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The expected timetable for the Withdrawal and the Main Board Listing is set out below:

Despatch of circulars and form of proxy to the Shareholders for the EGM .....	14th December, 2001
Latest time for lodgement of form of proxy for the EGM ....	10:00 a.m. on 29th December, 2001
EGM .....	10:00 a.m. on 31st December, 2001
Notice of the Withdrawal to be published in the South China Morning Post, the Hong Kong Economic Times and on GEM website .....	2nd January, 2002
Last day of dealings in the Shares on GEM .....	11th January, 2002
Withdrawal of listing from GEM effective from .....	10:00 a.m. on 14th January, 2002
First day of dealings in Shares on Main Board .....	14th January, 2002



**China Agrotech Holdings Limited**

**浩倫農業科技集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

*Directors:*

Wu Shaoning (*Chairman*)

Yang Zhuoya (*Managing Director*)

Tung Fai

*Independent non-executive Directors:*

He Zhongpei

Lam Ming Yung

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal place  
of business in Hong Kong:*

Room 2706, 27th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

14th December, 2001

*To the Shareholders*

Dear Sir or Madam

**PROPOSED WITHDRAWAL OF LISTING  
ON THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED  
AND  
ADOPTION OF SHARE OPTION SCHEME**

**INTRODUCTION**

On 22nd October, 2001, the Company announced that it submitted an application to the Stock Exchange for the proposed withdrawal of the listing of the Shares on GEM. In connection with the Main Board Listing, the Directors propose to seek the approval of the Shareholders for the Share

\* for identification only



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## LETTER FROM THE BOARD

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Option Scheme. The purpose of this circular is to give you further information regarding the Withdrawal, to provide information regarding the Share Option Scheme and to seek your approval of the relevant resolutions relating to the Withdrawal, the reduction of the notice period for the Withdrawal and the Share Option Scheme to be proposed at the EGM.

### THE WITHDRAWAL

On 19th October, 2001, the Sponsor submitted an application for and on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares and any Shares which may be issued upon the exercise of options under the Share Option Scheme on the Main Board. The Stock Exchange informed the Sponsor on 12th December, 2001 that the Listing Committee granted an approval in principle of the listing of, and permission to deal in, the Shares on the Main Board. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn.

Under the GEM Listing Rules, an issuer that has an alternative listing on another stock exchange or securities market recognised for this purpose by the Stock Exchange may not voluntarily withdraw its listing on GEM unless

- (a) the prior approval of the shareholders of the issuer has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer; and
- (b) the issuer has given its shareholders at least three months' notice of the proposed withdrawal of listing.

In connection with the Withdrawal, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver for the minimum three months' notice required under the GEM Listing Rules, subject to:

- (i) the notice period for the Withdrawal shall be a minimum of five clear Business Days after the approval of the Shareholders for the Withdrawal shall have been obtained; and
- (ii) the prior approval of the Shareholders for the notice period for the Withdrawal for a minimum of five clear Business Days shall have been obtained.

Accordingly, the EGM is convened to seek the approval of the Shareholders for, inter alia, the Withdrawal and after such approval shall have been obtained, a notice of the Withdrawal will be published.

Mr. Wu Shaoning, the Chairman and the controlling shareholder of the Company who as at the Latest Practicable Date held 140,000,000 Shares, representing approximately 51.77% of the issued share capital of the Company, has confirmed to the Company that he will vote in favour of the resolutions in respect of the Withdrawal, the reduction of the notice period for the Withdrawal and the Share Option Scheme to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### Conditions of the Withdrawal

Implementation of the Withdrawal will be conditional on:

- (a) the passing of the ordinary resolution numbered 3 set out in notice of the EGM by the Shareholders at the EGM;
- (b) the publication of a notice of the Withdrawal after the approval of the Shareholders for the Withdrawal shall have been obtained at the EGM and not less than five clear Business Days before the Effective Date; and
- (c) the granting by the Listing Committee of the Stock Exchange of listing of, and permission to deal in, the Shares and any Shares which may be issued upon the exercise of options granted under the Share Option Scheme on the Main Board.

### Effects of the Withdrawal

It is expected that dealings in the Shares on GEM will cease at 10:00 a.m. on the Effective Date and dealings in the Shares on the Main Board will commence at 10:00 a.m. on the Effective Date. The Company will make further announcement after the EGM to publish the results of the EGM and the information relating to the Withdrawal and the trading arrangement of the Shares in respect of the Withdrawal and the Main Board Listing through teletext.

The Withdrawal will not have any effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and does not involve any transfer or exchange of the existing share certificates. No change is proposed to be made to the board lot size, trading currency of the Shares and the share registrars of the Company in connection with the Withdrawal. If and when the Shares are listed on the Main Board, you may be required to sign a new client agreement with your stockbrokers.

The continuing obligations of listed issuers under the Listing Rules and the GEM Listing Rules are not the same. For example, the principal means of information dissemination by listed issuers on GEM is publication on the internet website operated by the Stock Exchange whereas the principal means of information dissemination by listed issuers on the Main Board is through newspapers, and listed issuers on the Main Board are not required to publish quarterly reports.

### Reasons for the Withdrawal

The Group has experienced considerable growth since the listing of the Shares on GEM in November 1999. The actual use of the proceeds raised from the listing of the Shares on GEM in November 1999 and the business progress of the Group followed the relevant description in the prospectus of the Company dated 16th November, 1999 in all material respects. The Directors consider that a Main Board Listing may better reflect the profile of the Group and is expected to be beneficial to the future development of the Group. Accordingly, it is proposed that the listing of the Shares on GEM be withdrawn.

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## LETTER FROM THE BOARD

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### SHARE OPTION SCHEME

In connection with the Main Board Listing, the Directors propose to seek the approval of the Shareholders for the Share Option Scheme, the provisions of which will comply with the requirements of the Listing Rules. A summary of the principal terms of the Share Option Scheme is set out in the Appendix to this circular. The Existing Scheme will be replaced by the Share Option Scheme when the Share Option Scheme shall have been approved and adopted by the Shareholders and shall have become unconditional.

### Conditions of the Share Option Scheme

The adoption of the Share Option Scheme will be conditional upon:

- (a) the passing by the Shareholders at the EGM of the ordinary resolution numbered 1 set out in the notice of the EGM approving the Share Option Scheme; and
- (b) the granting by the Listing Committee of the Stock Exchange of listing of, and permission to deal in, the Shares and any Shares which may be issued upon the exercise of options granted under the Share Option Scheme on the Main Board.

### THE EGM

Set out on pages 17 to 18 of this circular is a notice convening the EGM to be held on 31st December, 2001 at Salon 1, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m., at which ordinary resolutions will be proposed to consider and, if thought fit, approve, among other matters, the following:

- (a) the Share Option Scheme;
- (b) the reduction of the notice period for the Withdrawal; and
- (c) the Withdrawal.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

A copy of the introduction document issued in connection with the Main Board Listing is enclosed for information only.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the Withdrawal and the adoption of the Share Option Scheme will be in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends that the Shareholders vote in favour of the resolutions set out in the notice of the EGM.

Yours faithfully  
For and on behalf of the Board  
**Wu Shaoning**  
*Chairman*

The following is a summary of the principal terms of the Share Option Scheme proposed to be adopted by the Shareholders in the EGM to be held on 31st December, 2001 to replace the Existing Scheme.

**(a) Purpose of the scheme**

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

**(b) Who may join**

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (i) any employee or proposed employee (whether full time or part time) of the Company, any of its subsidiaries or any entity (“Invested Entity”) in which the Group holds an equity interest, including any executive director of the Company, any of such subsidiaries or any Invested Entity;
- (ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity,

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

The basis of eligibility of any of the above class of participants to the grant of any options shall be determined by the Directors from time to time.

**(c) Maximum number of Shares**

- (i) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the relevant class of securities of the Company (or any of its subsidiaries) in issue from time to time. No option may be granted under any schemes of the Company (or any of its subsidiaries) if this will result in such limit being exceeded.
- (ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (“General Scheme Limit”).
- (iii) Subject to (i) above and without prejudice to (iv) below, the Company may, after issuing a circular to its shareholders, seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted.
- (iv) Subject to (i) above and without prejudice to (iii) above, the Company may issue a circular to its shareholders and seek separate shareholders’ approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (iii) above to participants specifically identified by the Company before such approval is sought.

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

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (“Individual Limit”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be subject to the issue of a circular to the shareholders and the shareholders’ approval in general meeting of the Company with such participant and his associates (as defined under the Listing Rules) abstaining from voting.

**(e) Grant of options to connected persons**

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

such further grant of options must be approved by shareholders of the Company. The Company must send a circular to the shareholders. All connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates must be approved by the shareholders of the Company in general meeting.

**(f) Time of acceptance and exercise of option**

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

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors at the time of such grant to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

**(g) Performance targets**

Unless the Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

**(h) Subscription price for Shares**

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

**(i) Ranking of Shares**

- (i) Shares allotted upon the exercise of an option will be subject to all the provisions of the articles of association of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee as the holder thereof.
- (ii) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

**(j) Restrictions on the time of grant of options**

No offer for grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Directors for the approval of the Company's interim or annual results, and (ii) the last date on which the Company must publish its interim or annual results announcement under its listing agreement, and ending on the date of the announcement of the results, no option may be granted.

The Directors may not grant any option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(k) Period of the Share Option Scheme**

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



**(l) Rights on ceasing employment**

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

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

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

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

**(n) Rights on dismissal**

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

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

If the Directors shall at their absolute discretion determine that (i) the grantee of any option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the option granted to the grantee under the Share Option Scheme shall lapse, his option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

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

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

**(q) Rights on winding up**

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the day prior to the date of such resolution.

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

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares the subject matter of the Share Option Scheme and the option so far as unexercised and/or the option price and/or the method of exercise of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**(s) Cancellation of options**

Any cancellation of options granted but not exercised must be approved by shareholders of the Company in general meeting, with participants and their associates abstaining from voting. Where the Company cancels options and issues new ones to the same option holder, the grant of such new options may only be made under a scheme with available unissued options (excluding the cancelled options) within the General Scheme Limit or the limits approved by the shareholders of the Company.

**(t) Termination of the Share Option Scheme**

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

**(u) Rights are personal to the grantee**

An option is personal to the grantee and shall not be transferable or assignable save as provided under the rules of the Share Option Scheme.

**(v) Others**

- (i) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the shareholders in general meeting.
- (ii) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the shareholders of the Company in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iii) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the shareholders of the Company in general meeting.



**China Agrotech Holdings Limited**

**浩倫農業科技集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of China Agrotech Holdings Limited (the “Company”) will be held at Salon 1, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 31st December, 2001, at 10:00 a.m. to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

**ORDINARY RESOLUTIONS**

1. **THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the listing of, and permission to deal in, the shares of HK\$0.10 each in the share capital of the Company (“Shares”) in issue and any Shares which may fall to be issued pursuant to the exercise of the options granted under the share option scheme (the “Scheme”) (a copy of which has been produced to the meeting and marked “A” and initialled by the chairman of the meeting for the purposes of identification) on the Main Board of the Stock Exchange (the “Main Board”), the Scheme be and is hereby approved and adopted in substitution for and to the exclusion of the share option scheme adopted by the Company on 11th November, 1999.
2. **THAT** the notice period required under Rule 9.19(3) of the Rules Governing the Listing of Securities on the Growth Enterprise Market operated by the Stock Exchange (the “GEM”) in connection with the proposed withdrawal of the listing of the Shares on GEM be reduced to a minimum of five clear days on which the Stock Exchange is open for the business of dealings in securities from the date on which the shareholders of the Company shall have approved the proposed withdrawal of the listing of the Shares on GEM.
3. **THAT** conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares in issue and any Shares which may fall to be issued pursuant to the exercise of options granted under the Scheme on the Main Board and the publication of a notice of the proposed withdrawal of the listing of the Shares on GEM not less than such period as the shareholders of the Company shall have approved under resolution numbered 2 above before the day on which the proposed withdrawal is effective, the listing of the Shares on GEM shall cease with effect from such date and time as the directors of the Company may designate and **THAT** any one director of the Company or the Company Secretary

\* *for identification only*

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## NOTICE OF EGM

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of the Company be and he is hereby authorised generally to do all matters for and on behalf of the Company as he may deem necessary, desirable or expedient to effect and implement the foregoing.

By order of the Board  
**China Agrotech Holdings Limited**  
**Wu Shaoning**  
*Chairman*

Hong Kong, 14th December, 2001

*Principal place of business:*

Room 2706, 27th Floor  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

**Notes:**

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. In the case of joint registered holders of any Shares, any one of them may vote at the meeting, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint registered holders be present at the meeting, either personally or by proxy, that one of them so present whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holders.