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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 in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in COFCO International Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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**NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
AMENDMENT TO THE BYE-LAWS**

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The Annual General Meeting (“AGM”) of COFCO International Limited is scheduled to be held at Taishan Hall, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Monday, 9 May, 2005 at 3:00 p.m. The notice of the AGM is set out in Appendix IA to this circular.

Whether or not you are able to attend the AGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars and transfer office of COFCO International Limited in Hong Kong, Progressive Registration Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

14 April, 2005

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Taishan Hall, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Monday, 9 May, 2005 at 3:00 p.m., notice of which is set out in Appendix IA to this circular
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye- Laws”	the Bye-Laws of the Company, as amended from time to time
“Company”	COFCO International Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Directors”	directors of the Company from time to time
“Latest Practicable Date”	11 April, 2005, being the latest practicable date for ascertaining certain information for inclusion in this circular before its printing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Shares”	shares of HK\$0.1 each in the capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars

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## LETTER FROM THE BOARD

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**中國糧油國際有限公司**  
**COFCO INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**STOCK CODE: 506**

*Executive Directors:*

Ning Gaoning (Chairman)  
Liu Fuchun (Vice Chairman)  
Yu Guangquan (Managing Director)  
Xue Guoping  
Liu Yongfu  
Ng Eng Leong  
Qu Zhe

*Principal Office:*

33rd Floor, Top Glory Tower  
262 Gloucester Road  
Causeway Bay  
Hong Kong

*Independent Non-Executive Directors:*

Stephen Edward Clark  
Liang Shangli  
Tan Man Kou  
Yuen Tin Fan, Francis

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

14 April, 2005

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
AMENDMENT TO THE BYE-LAWS**

**1. INTRODUCTION**

The purpose of this circular is to provide Shareholders with information in connection with: (i) the notice to Shareholders regarding the convening of the AGM; (ii) the proposal to re-elect Directors; (iii) the proposal to grant mandates to issue Shares and repurchase of Shares; and (iv) the proposal to amend the Bye-Laws.

**2. ANNUAL GENERAL MEETING**

A notice convening the AGM is set out in Appendix 1A to this circular. At the AGM, proposals for, inter alia, the re-election of Directors, the general mandates to issue Shares and repurchase Shares and the amendment to the Bye-Laws, will be put forth for Shareholders' approval.

The procedure by which Shareholders may demand a poll at any general meeting is set out in Appendix 1B to this circular.

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## LETTER FROM THE BOARD

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A proxy form for your use at the AGM is enclosed. Whether or not you are able to attend the AGM, please complete the enclosed form of proxy in accordance with instructions printed thereon and return it to the Company's branch share registrars and transfer office in Hong Kong, Progressive Registration Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Completion and delivery of the form will not preclude you from attending and voting at the AGM should you so wish.

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

In accordance with the Bye-Law 94 of the Bye-Laws, each of Messrs. Ning Gaoning, Stephen Edward Clark, who were both appointed on 24 January 2005, and Tan Man Kou, who was appointed on 8 March 2005, will retire at the AGM and, being eligible, offer themselves for re-election.

Particulars of Messrs. Ning Gaoning, Stephen Edward Clark and Tan Man Kou are set out in Appendix II to this circular.

### **4. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 10 May, 2004, approval was given by Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing relevant resolutions; and (ii) to repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing relevant resolutions. In accordance with the terms of approval, the general mandates will shortly expire on 9 May, 2005 upon the conclusion of the AGM. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders and a proposal for ordinary resolutions to grant these general mandates to the Directors will be put forth at the AGM.

The Explanatory Statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Share repurchase resolution is set out in Appendix III to this circular.

### **5. AMENDMENT TO THE BYE-LAWS**

The Stock Exchange has made certain amendments to the Listing Rules relating to corporate governance practices which became effective on 1 January, 2005 and required, among other things, all directors of listed companies to retire at regular intervals. In order to comply with such requirement, the Directors seek your approval of a special resolution to amend the Bye-Laws at the AGM. The particulars of the proposed special resolution contained in the Notice of Annual General Meeting are set out in Appendix IA to this circular.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATIONS

The Directors consider that the above proposals are in the interests of the Company and its Shareholders and accordingly recommend that all Shareholders vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of  
**COFCO INTERNATIONAL LIMITED**  
**Yu Guangquan**  
*Managing Director*



**中國糧油國際有限公司**  
**COFCO INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

Stock Code: 506

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Taishan Hall, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Monday, 9 May, 2005 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

**AS ORDINARY BUSINESS**

1. To receive and adopt the audited financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December, 2004.
2. To declare a final dividend.
3. To re-elect the retiring Directors and to authorise the Board to fix their remuneration for the ensuing year.
4. To re-appoint Ernst & Young as auditors for the ensuing year and to authorise the Board to fix their remuneration.

**AS SPECIAL BUSINESS**

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions or as special resolution:

**AS ORDINARY RESOLUTIONS**

**5. “THAT:**

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) 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 pursuant to the approval in paragraph (a), otherwise than pursuant to:
  - (i) a Rights Issue;
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

- (iii) the exercise of rights of subscription under any share option scheme or similar arrangement of the Company;
- (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-Laws of the Company;
- (v) any adjustment, after the date of grant or issue of any options, warrants or other securities referred to above, in the price at which shares shall be subscribed, and/or in the number of shares which shall be subscribed, on exercise of relevant rights under such options, rights to subscribe, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, warrants or other securities; or
- (vi) a specific authority granted by Shareholders of the Company in general meeting;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and subject to the passing of Resolution 7 below, all those number of shares which may from time to time be purchased by the Company pursuant to the general mandate granted under Resolution 6 below and this approval shall be limited accordingly; and

- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting;

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors 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 recognized regulatory body or any stock exchange).”



## 6. “THAT:

- (a) subject to paragraph (c), the exercise by the Company during the Relevant Period of all the powers of the Company to repurchase Shares in the capital of the Company on the terms and subject to the conditions set out in the circular to Shareholders of the Company, a copy of which has been tabled at the AGM marked “A” and signed by the Chairman of the AGM for the purpose of identification, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company;
- (c) the aggregate nominal amount of Shares of the Company to be repurchased or agreed conditionally or unconditionally to be purchased by the Directors pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

7. “THAT the Directors be and are hereby given a general mandate to add all those number of shares of HK\$0.10 each in the capital of the Company which may from time to time be purchased by the Company pursuant to the approval granted under Resolution 6 above (the “Repurchased Shares”) to the general mandate granted under Resolution 5 above, so that the aggregate nominal amount of share capital that may be allotted by the Directors pursuant to the said mandate granted under Resolution 5 above shall be the aggregate of (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and (ii) all the Repurchased Shares.”

## AS SPECIAL RESOLUTION

8. “**THAT** the existing Bye-Law 111.(A) of the Company’s Bye-Laws be and is hereby amended by deleting in its entirety and substituted therefor by the following :

111. (A) At each annual general meeting one-third of the Directors for the time being, (or, if their number is not a multiple of three, the number nearest to but less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.”

By Order of the Board  
**Yu Guangquan**  
*Managing Director*

Hong Kong, 14 April, 2005

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*

33rd Floor, Top Glory Tower  
262 Gloucester Road  
Causeway Bay  
Hong Kong

*Notes:*

1. The Register of Members of the Bank will be closed from Tuesday, 3 May, 2005 to Monday, 9 May, 2005 with both dates included. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company’s branch share registrars and transfer office in Hong Kong, Progressive Registration Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by 4:00 p.m. on Friday, 29 April, 2005.
2. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. A form of proxy for use at the AGM is enclosed. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrars and transfer office in Hong Kong, Progressive Registration Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding of the meeting or any adjournment of it.
4. Where there are joint holders of any Share, any one of such holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he were solely entitled to vote, but if more than one of such joint holders are present at the AGM in person or by proxy, the person so present whose name stands first in the Register of Members of the Company in respect of such Share shall alone be entitled to vote in respect of it.
5. Completion and return of the form of proxy will not preclude a member from attending the AGM and voting in person at the AGM or any adjourned meeting if he so desires. If a member attends the AGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.

Bye-Law 75 of the Bye-Laws sets out the procedure by which Shareholders may demand a poll:

At any general meeting a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person or by proxy or by representative for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy or by representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

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**APPENDIX II PARTICULARS OF DIRECTORS SUBJECT FOR RE-ELECTION**

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Particulars of retiring Directors subject to re-election at the AGM are set out below:

**Mr. Ning Gaoning**

*Executive Director and the Chairman*

Mr. Ning, aged 46, was appointed in January 2005. He is currently the chairman of China National Cereals, Oils and Foodstuffs Corporation, the ultimate holding company of the Company and the chairman of COFCO (Hong Kong) Limited, the substantial shareholder of the Company. He is also the chairman and a non-executive director of Hong Kong Building and Loan Agency Limited (Stock Code: 00145), a non-executive director of Lippo China Resources Limited (Stock Code: 00156) and a non-executive director of SABMiller plc, a company listed in London, the United Kingdom.

Immediately prior to joining the Company, Mr. Ning was the vice chairman and president of China Resources (Holdings) Company Limited, the chairman of China Resources Enterprises, Limited (Stock Code: 00291), the chairman of China Resources Land Limited (Stock Code: 01109), the chairman and a non-executive director of China Resources Peoples Telephone Company Limited (Stock Code: 00331), and a non-executive director of each of China Resources Cement Holdings Limited (Stock Code: 00712), China Resources Power Holdings Company Limited (Stock Code: 00836) and China Resources Logic Limited (Stock Code: 01193). He was also a deputy chairman of China Vanke Company Limited, a company listed in the People's Republic of China. Save as disclosed above, Mr. Ning has not held any directorship in any other listed company in the last three years.

Mr. Ning holds a Bachelor of Arts degree in Economics from Shandong University in the People's Republic of China and a Master of Business Administration degree in Finance from the University of Pittsburgh in the United States of America.

Mr. Ning has no service contract with the Company. His appointment does not provide for a specified length of service period, but he is subject to the provisions on retirement by rotation and re-election of directors under the Bye-Laws. There is no agreement as to Mr. Ning's emolument. His emolument shall be determined by the Board with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and subject to the Company's Bye-Laws. Once the amount has been determined, a further announcement will be made.

Save as disclosed above, Mr. Ning is not related to any Directors, senior management, or any of the substantial or controlling Shareholders of the Company.

As of the Latest Practicable Date, Mr. Ning does not have any interest in the securities of the Company which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**Mr. Stephen Edward Clark**

*Independent non-Executive Director and Member of the Audit Committee*

Mr. Clark, aged 54, was appointed as a Director in January 2005. He is currently the managing director of Anglo Chinese Corporate Finance, Limited. He has been active in corporate finance for over twenty-three years first in South Africa and then in Hong Kong since 1983. In 1988, he co-founded the Anglo Chinese group which has been active in a wide range of corporate finance transactions.

Mr. Clark was a member of the Takeovers Committee between 1984 and 1992. Thereafter, he became and remains a member of the Takeovers Panel and Takeovers Appeals Committee. He served as an alternate member of the Listing Committee of The Stock Exchange of Hong Kong Limited in 1992 and 1993 and a director of Hong Kong Securities Institute from 1997 to 2003. Mr. Clark has not held any directorship in any other listed company in the last three years.

Mr. Clark holds first class joint honors bachelor degree in history and history of art from the University of Nottingham in England and a master degree in business administration from the University of Witwatersrand, Johannesburg, South Africa.

Save as disclosed above, Mr. Clark does not hold any position with the Company or any of its subsidiaries or associates. Mr. Clark has no service contract with the Company. His appointment does not provide for a specified length of service period, but he is subject to the provisions on retirement by rotation and re-election of directors under the Bye-Laws. There is no agreement as to Mr. Clark's emolument. His emolument shall be determined by the Board with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and subject to the Company's Bye-Laws. Once the amount has been determined, a further announcement will be made.

Mr. Clark is and was not connected with any Directors, senior management or any of the substantial or controlling Shareholders of the Company.

As of the Latest Practicable Date, Mr. Clark does not have any interest in the securities of the Company which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**Mr. Tan Man Kou**

*Independent non-Executive Director and Member of the Audit Committee*

Mr. Tan, aged 69, was appointed as a Director in March 2005. He currently serves as a consultant to Deloitte Touche Tohmatsu. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Mr. Tan is a member of the Chinese People's Political Consultative Conference and a member of the Selection Committee of the Hong Kong Special Administrative Region.

Mr. Tan is an independent non-executive director of each of Harbour Centre Development Limited and The Bank of East Asia, Limited. Save as disclosed above, Mr. Tan has not held any directorship in other listed companies in the last three years.

Save as disclosed above, Mr. Tan does not hold any position with the Company or any of its subsidiaries or associates. Mr. Tan has no service contract, but he is subject to the provisions on retirement by rotation and re-election of directors under the Bye-Laws. There is no agreement as to Mr. Tan's emolument. His emolument shall be determined by the Board with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and subject to the Company's Bye-Laws. Once the amount has been determined, a further announcement will be made.

Mr. Tan is and was not connected with any Directors, senior management or any of the substantial or controlling Shareholders of the Company.

As of the Latest Practicable Date, Mr. Tan does not have any interest in the securities of the Company which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

The following contains the particulars that are required by the Listing Rules to be sent to Shareholders in connection with the proposed general mandate for repurchase of Shares:

- (a) As of the Latest Practicable Date, there were in issue an aggregate of 1,758,449,974 Shares. Based on the number of Shares in issue as of the Latest Practicable Date, 175,844,997 Shares are proposed for repurchase. In addition, Shareholders should note that the general mandate covers purchases made or agreed to be made only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by Bermuda law and the Bye-Laws and the date upon which such authority is revoked or varied.
- (b) The Directors have no present intention to repurchase any Shares and, whilst it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial. The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase securities of the Company on the market. Such repurchases may lead to an enhancement of the net assets and/or earnings per share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company because they consider that the Shares can be purchased on favourable terms. The Directors do not expect there to be any material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the published audited financial statements for the year ended 31 December 2004) as a result of repurchases of Shares, even if the mandate is exercised in full. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such purchases are in the best interests of the Company.
- (c) The Company is empowered under its Memorandum of Association to purchase its Shares pursuant to and in accordance with Section 42A of The Companies Act 1981 of Bermuda. The Bye-Laws supplement the Company's Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on redemption may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company. Should the Directors consider it desirable, they would be able to finance the purchase out of funds borrowed against any of the above-mentioned accounts. In addition, under Bermuda law, in connection with any purchase of Shares, two Directors of the Company would be required to swear an affidavit on the date on which the repurchase takes effect to the effect that either the Company is solvent or that all creditors of the Company have agreed to the purchase or for so long as the Company is listed on the Stock Exchange, the affidavit may,

at the option of the Company, be sworn within 30 days from the end of each calendar quarter giving details of the purchases made during each quarter. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital would not be reduced. The Company is required by the Listing Rules to cancel and destroy all documents of title representing the repurchased Shares as soon as reasonably practicable after settlement of any such repurchase. The listing of all Shares which are purchased by the Company shall be automatically cancelled upon purchase.

- (d) Repurchase of shares will be funded entirely from the Company's available cash or working capital facilities and will, in any event, be made out of funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-Laws and Bermuda law.
- (e) None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors have any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company.
- (f) No persons who are connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares. In accordance with the Listing Rules, the Company shall not knowingly purchase Shares from a connected person on the Stock Exchange.
- (g) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, the jurisdiction in which the Company is incorporated, and in accordance with the provisions set out in the Memorandum of Association and Bye-Laws.
- (h) If as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rules 26 and 32 of the Takeovers Code.
- (i) As of the Latest Practicable Date, China National Cereals, Oils & Foodstuffs Corporation through its three wholly-owned subsidiaries, COFCO (Hong Kong) Limited, COFCO (BVI) No. 108 Limited and Wide Smart Holdings Limited, (the "Controlling Shareholders") were beneficially interested in 1,204,948,949 Shares representing approximately 68.52% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the aggregate shareholding of the Controlling Shareholders in the Company would be increased to approximately 76.14% of the issued share capital of the Company. Such an increase would not give rise to any obligation to make a mandatory offer under Rules 26 or 32 of the Takeovers Code.



- (j) During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.
- (k) During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as set out as follows:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2004</b>		
April	4.175	3.275
May	4.375	3.300
June	4.325	3.825
July	4.050	3.200
August	3.250	2.725
September	3.450	3.050
October	3.475	3.050
November	3.450	3.125
December	3.400	3.175
<b>2005</b>		
January	4.175	3.175
February	4.175	3.800
March	4.000	3.325