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

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

**If you have sold or transferred** all your shares in China Flavors and Fragrances Company Limited 中國香精香料有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed dealer, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**China Flavors and Fragrances Company Limited**

**中國香精香料有限公司**

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

**(Stock code: 3318)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**RE-RELECTION OF DIRECTORS**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice dated 22 April 2009 convening the annual general meeting of China Flavors and Fragrances Company Limited 中國香精香料有限公司 to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 22 May 2009 at 3:30 p.m. is set out in this circular. A form of proxy for use at the annual general meeting is enclosed in this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)).

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 fixed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting if you so wish.

22 April 2009

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 22 May 2009 at 3:30 p.m.;
“Articles”	the articles of association adopted by the Company, and as amended from time to time by resolution of the Shareholders of the Company;
“Board”	the board of Directors;
“Chairman”	chairman of the Board;
“Company”	China Flavors and Fragrances Company Limited 中國香精香料有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Share Issue Mandate;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	17 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate proposed be granted to the Directors to enable them to repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers.

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## LETTER FROM THE BOARD

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**China Flavors and Fragrances Company Limited**

**中國香精香料有限公司**

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

**(Stock code: 3318)**

*Executive directors:*

Mr. Wong Ming Bun (*Chairman*)  
Mr. Wang Ming Fan (*Chief Executive Officer*)  
Mr. Li Qing Long  
Mr. Wang Ming You  
Mr. Qian Wu

*Independent non-executive directors:*

Mr. Goh Gen Cheung  
Mr. Leung Wai Man, Roger  
Mr. Zhou Xiao Xiong

*Registered office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P. O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

*Principal place of business*

*in Hong Kong:*  
Offices 4-5, 15/F.  
Kwan Chart Tower  
No.6 Tonnochy Road  
Wanchai  
Hong Kong

22 April 2009

*To Shareholders*

Dear Sir or Madam,

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

### **RE-ELECTION OF DIRECTORS**

**AND**

### **NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the AGM for the approval of (a) the Share Issue Mandate; (b) the Repurchase Mandate; (c) the Extension Mandate; and (d) the re-elections of Directors. This circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

A notice convening the AGM is set out on page 12 to page 14 to this circular.

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## LETTER FROM THE BOARD

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### **GRANT OF SHARE ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE**

Pursuant to the ordinary resolutions passed by the then Shareholders at the last annual general meeting of the Company held on 13 May 2008, the Directors were granted (a) a general unconditional mandate to allot, issue and 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 of the relevant ordinary resolution; (b) a general unconditional mandate to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of the relevant ordinary resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to purchase or repurchase Shares referred to in (b) above.

The above mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Share Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Share Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Each of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required to be held under the Articles or any applicable laws of the Cayman Islands or the Listings Rules; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme of the Company.

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## LETTER FROM THE BOARD

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An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution in relation to the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Mr. Wong Ming Bun, Mr. Wang Ming Fan, Mr. Li Qing Long, Mr. Wang Ming You and Mr. Qian Wu and the independent non-executive Directors are Mr. Goh Gen Cheung, Mr. Leung Wai Man, Roger and Mr. Zhou Xiao Xiong.

Pursuant to Article 87(1) of the Company's Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting. Accordingly, Mr. Wong Ming Bun, Mr. Wong Ming Fan and Mr. Wang Ming You will retire at the AGM, and who being eligible, offer themselves for re-election.

The biographical details of all the retiring Directors are as follows:

**Mr. Wong Ming Bun** ("Mr. Wong"), aged 51, is the Chairman of the Company and one of the founders of the Group. Mr. Wong has approximately 20 years of corporate management and administration experience in the flavour and fragrance industry. Mr. Wong is responsible for formulating the overall corporate strategy of the Group. Mr. Wong is an entrepreneur with extensive experience for corporate management of enterprises engaged in a variety of industries, which include flavours and fragrances, food, electronic, biotechnology and packaging. Mr. Wong is the brother of Mr. Wang Ming Fan and Mr. Wang Ming You. They are shareholders of Creative China Limited, a substantial shareholder of the Company, holding approximately 58.92% of interest in the Company. Creative China Limited is owned as to 34.77%, 33.91% and 10.68% by Mr. Wong, Mr. Wang Ming Fan and Mr. Wang Ming You. Mr. Wong was appointed as an executive Director in April 2005. Mr. Wong joined the Group since March 1991.

Save as disclosed above, Mr. Wong does not have any relationships with other Directors, senior management, substantial shareholders or controlling shareholders of the Group and does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as aforesaid, Mr. Wong did not hold other directorship in any public listed companies in the last 3 years.

Mr. Wong has entered into a service contract with the Company for a term of 3 years commencing from 9 December 2005 which continues thereafter until terminated by either party giving not less than 3 months' notice in writing to the other party. Mr. Wong is entitled to an annual salary of HK\$1,620,000 which is determined on the basis of his relevant experience, responsibility, workload and time devoted to the Group. In addition, Mr. Wong is entitled to a management bonus by reference to the audited consolidated net profits of the Group after

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## LETTER FROM THE BOARD

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taxation and minority interests but before extraordinary items (the “Net Profits”) as the remuneration committee of the Board may, at its absolute discretion, approve provided that the aggregate amount of the management bonuses payable to all executive Directors in respect of any financial year shall not exceed 10% of the Net Profits for the relevant financial year.

**Mr. Wang Ming Fan** (“Mr. Wang”), aged 43 is an executive Director and the Chief Executive Officer responsible for the daily operation of the Group. Mr. Wang has approximately 20 years of corporate management experience in the flavour and fragrance industry. Mr. Wang joined the Group in 1996 as a general manager. Mr. Wang is the brother of Mr. Wong and Mr. Wang Ming You. They are shareholders of Creative China Limited, a substantial shareholder of the Company, holding approximately 58.92% of interest in the Company. Creative China Limited is owned as to 33.91%, 34.77% and 10.68% by Mr. Wang, Mr. Wong and Mr. Wang Ming You. Mr. Wang is now a member of 中國人民政治協商會議廣東省深圳市委員會 (the Standing of Committee of Chinese People’s Political Consultative Conference of Shenzhen), the vice chairman of the fifth executive committee of 中國香精香料化妝品工業協會 (China Association of Flavours and Fragrances Cosmetic Industry) and the vice chairman of 中國食品添加劑生產應用工業協會 (China Food Additive Production Application Industry Association). Prior to joining the Group, he was the deputy general manager of 深圳聯海化工有限公司 (Shenzhen Lianhai Chemical Industrial Co., Ltd.) for approximately 10 years. Mr. Wang was accredited as one of the “Ten Outstanding Young People in the Nanshan District of Shenzhen” by 中共深圳市南山區委員會 (Nanshan District Committee, Shenzhen of China Communist) and 深圳市南山區政府 (Nanshan District Government, Shenzhen) in 2004 and the “Chinese Distinguished Private Technology Entrepreneur” by 中華全國工商業聯合會 (Federation of Industry and Commerce) and 中國民營科技實業家協會 (China Private Technology Entrepreneur Association) in 2004. Mr. Wang was appointed as an Executive Director in April 2005.

Save as disclosed above, Mr. Wang does not have any relationships with other Directors, senior management, substantial shareholders or controlling shareholders of the Group and does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as aforesaid, Mr. Wang did not hold other directorship in any public listed companies in the last 3 years.

Mr. Wang has entered into a service contract with the Company for a term of 3 years commencing from 9 December 2005. Mr. Wang is entitled to an annual salary of HK\$1,620,000. The terms of Mr. Wang’s service contract are similar to that of Mr. Wong’s service contract, which includes, inter alia, the basis of determination of salary, entitlement to management bonus and termination of contract.

**Mr. Wang Ming You**, aged 55, established 電白縣東山罐頭廠 (Dian Bai Yuan Dong Shan Canned Food Factory) and was the chief officer thereof from 1976 to 1982. In 1982, Mr. Wang Ming You also established 電白縣遠香料化工廠 (Dian Bai Yuan Dong Flavors Chemical Factory) and had been the chief officer of the factory till 1992. Mr. Wang had been a director of Shenzhen-Boton from 1992 to 1996. Mr. Wang founded and was the Chairman and General Manager of 廣東省茂名市金基房地產有限公司 (Guangdong Province Mao Ming City Jinji



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## LETTER FROM THE BOARD

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Real Estate Company Limited), he was also the Chairman and General Manager of 海南省海口市金海藻食品科技有限公司 (Hainan Province Haikou City Jin Seaweed Food Technology Company Limited) from 1996 to 2006. Mr. Wang Ming You has valuable experience in relation to corporate management, property industry and food manufacturing industry. Mr. Wong was appointed as an executive Director in March 2007.

Mr. Wang Ming You is the brother of Mr. Wong and Mr. Wang. They are shareholders of Creative China Limited, a substantial shareholder of the Company, holding approximately 58.92% of interest in the Company. Creative China Limited is owned as to 10.68%, 34.77% and 33.91% by Mr. Wang Ming You, Mr. Wong and Mr. Wang respectively.

Save as disclosed above, Mr. Wang Ming You does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company and does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as aforesaid, Mr. Wang Ming You has not previously held any position with the Group and has not been a director in any other listed company in the past 3 years.

Mr. Wang has entered into a service contract with the Company for a term of 3 years commencing from 15 March 2007. Mr. Wang is entitled to an annual salary of HK\$1,000,000. The terms of Mr. Wang's service contract are similar to that of Mr. Wong's service contract, which includes, inter alia, the basis of determination of salary, entitlement to management bonus and termination of contract.

Save as disclosed above, there is no information about any of the retiring Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to the aforesaid re-elections that is required to be brought to the attention of the Stock Exchange or the Shareholders.

### **THE AGM AND PROXY ARRANGEMENT**

A notice convening the AGM to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 22 May 2009 at 3:30 p.m. is set out on pages 12 to 14 of this circular. All the resolutions set out in the notice of the AGM will be decided by poll in accordance with the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying 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 the holding of the AGM (or any adjournment thereof) to the office of the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that all the proposed resolutions in the AGM are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

Yours faithfully,

For and on behalf of the Board

**China Flavors and Fragrances Company Limited**

中國香精香料有限公司

**Wong Ming Bun**

*Chairman*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.*

## **1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the important of which are summarized below:

### **(a) Shareholders' approval**

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by its shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

### **(b) Share capital**

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of its issued share capital at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company has 484,389,000 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 48,438,900 Shares being repurchased by the Company during the period from the date of passing of the relevant resolution to the next annual general meeting of the Company or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

### **(c) Reason for repurchase**

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**(d) Funding of repurchase**

Any repurchase by the Company may be made out of the profits of the Company or out of a fresh issue of Shares made for the purpose of the purchase or, subject to the laws of the Cayman Islands, out of its capital and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the laws of the Cayman Islands, out of its capital.

As compared with the financial position of the Company as at 31 December 2008 (being the date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate is to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

**(e) Connected parties**

None of the Directors nor, to the best knowledge of the Directors having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

**(f) Undertaking by Directors**

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**(g) Takeovers Code**

If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could 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 and belief of the Directors, Creative China Limited, being the controlling shareholder of the Company, held 285,413,000 Shares representing approximately 58.92% 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 shareholding of Creative China Limited in the Company would be increased to approximately 65.47% of the issued share capital of the Company and such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

## 2. SHARE PURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

## 3. SHARE PRICES

The highest and lowest prices at which the Shares of the Company have been traded on the Stock Exchange during each of the previous twelve months were as follows:

Month	Per Share	
	Highest (HK\$)	Lowest (HK\$)
<b>2008</b>		
April	2.89	2.36
May	2.90	2.41
June	2.66	2.33
July	2.76	2.38
August	2.61	2.44
September	2.62	1.40
October	1.74	0.80
November	1.05	0.80
December	1.25	1.00
<b>2009</b>		
January	1.25	0.90
February	1.08	0.87
March	1.05	0.91
April ( <i>Note</i> )	1.16	0.98

*Note:* Up to the Latest Practicable Date

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## NOTICE OF ANNUAL GENERAL MEETING

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**China Flavors and Fragrances Company Limited**  
**中國香精香料有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 3318)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of CHINA FLAVORS AND FRAGRANCES COMPANY LIMITED (the “**Company**”) will be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 22 May 2009 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2008.
2. To re-elect the retiring Directors (whose particulars are stated in the circular of the Company dated 22 April 2009) and to authorize the board of directors to fix the directors’ remuneration.
3. To re-appoint the Company’s auditors and to authorize the board of directors to fix the remuneration of the auditors.

As special business, to consider and if thought fit, pass with or without modifications, the following resolution as an ordinary resolution of the Company:

### **ORDINARY RESOLUTIONS**

4. (A) “**THAT**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which (including warrants, bonds and debentures convertible into shares of the Company) would or might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) 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 paragraphs (a) and (b), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares under any options granted under the share option scheme adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe for other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this resolution; and

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier 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 the articles of association of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion 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, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

(B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution and the said 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 earlier 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 the articles of association of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”



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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** conditional upon Resolutions A and B set out above being passed, the aggregate nominal amount of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution B above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution A above provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board  
**China Flavors and Fragrances Company Limited**  
中國香精香料有限公司  
**Wong Ming Bun**  
*Chairman*

Hong Kong, 22 April 2009

*As at the date of this notice, the executive directors of the Company are Mr. Wong Ming Bun, Mr. Wang Ming Fan, Mr. Li Qing Long, Mr. Wang Ming You and Mr. Qian Wu; and the independent non-executive directors of the Company are Mr. Goh Gen Cheung, Mr. Leung Wai Man, Roger and Mr. Zhou Xiao Xiong.*

*Notes:*

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order 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 must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorized.
4. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holder stand on the register in respect of the relevant joint holding.
6. The enclosed form of proxy must be signed by the appointor or by his attorney authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an office, attorney or other person duly authorized to sign the same.