

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of First Natural Foods Holdings Limited (the “Company”) will be held at Boardroom 3–4 Mezzanine Floor, Renaissance Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 4 June, 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements, Directors’ Report and Auditors’ Report for the year ended 31 December, 2003;
2. To approve the final dividend for the year ended 31 December, 2003;
3. To re-elect a retiring director and to authorise the Board of Directors (the “Board”) to fix the remuneration of the directors;
4. To re-appoint Auditors and to authorise the Board to fix the remuneration of the Auditors; and

As special businesses, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

5. **“THAT** the sum of approximately HK\$910,000 (being part of the amount standing to the credit of the share premium account of the Company) be capitalized in accordance with bye-law 148 of the Company’s Bye-laws and **THAT** the directors of the Company be authorised to allot and issue shares to apply the capitalized amount in making payment in full at par of not less than 18,009,257 shares (“Bonus Shares”) of HK\$0.05 each in the share capital of the Company, such shares to be issued and allotted credited as fully paid-up and distributed by way of bonus to members whose names appear on the Register of Members of the Company as at the close of business on 4 June, 2004 (the “Members”), as far as practicable, in the proportion of two Bonus Shares for every one hundred shares held by the Members, such fully paid-up shares shall rank *pari passu* in all respects with the existing shares of the Company, and **THAT** no fractional Bonus Shares shall be allotted to the Members but the fractional Bonus Shares shall be aggregated and sold for the benefit of the Company.”
- 6A. **“THAT:**
- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of HK\$0.05 each in the capital of the Company subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
  - (c) the aggregate nominal amount of the shares which are authorised to be repurchased by the directors of the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution as enlarged by the issue of shares pursuant to the capitalisation issue referred to in resolution no. 5 above, and the said authority shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (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 any applicable laws or the Company’s Bye-laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

6B. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.05 each in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above, shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (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 of the Company pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any option under the share option scheme of the Company adopted for the grant or issue to the eligible participants of the Company and/or any of its subsidiaries and/or associated companies of options to subscribe for or rights to acquire shares; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its Bye-laws, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution as enlarged by the issue of shares pursuant to the capitalisation issue referred to in resolution no. 5 above, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” shall have the same meaning as ascribed to it under resolution set out in paragraph 6A(d) of the notice convening this Meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

6C. **“THAT:**

conditional upon the passing of the resolutions set out in paragraphs 6A and 6B of the notice convening this Meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 6B of the notice convening this Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 6A of the notice convening this Meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution as enlarged by the issue of shares pursuant to capitalisation issue referred to in resolution no. 5 above.”

As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

7. **“THAT** the Bye-laws of the Company be amended as follows:

## (a) amending bye-law 1 as follows:

## (i) by inserting the following new definition in bye-law 1 immediately after the definition of “Act”:

“Associate” the meaning attributed to it in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited from time to time.

## (ii) by deleting from the definition of “clearing house” the words “Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong”, and substituting “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”.

## (b) by deleting bye-law 76 and substituting thereof the following:

76. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

## (c) by deleting the words “, subject to authorisation by the Members in general meeting,” in the second and third lines in bye-law 86(2).

## (d) by deleting the word “special” in the second line in bye-law 86(4) and substituting therefor the word “ordinary”.

## (e) by deleting bye-law 88 and substituting thereof the following:

88. No person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the

minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(f) by deleting bye-law 102 and substituting thereof the following:

102. A director who, to his knowledge, is interested or any of his associate(s) who, to the director's knowledge, is interested, in any way, whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or the interest of his associate(s) at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest or the interest of his associate(s) then exists, or in any other case at the first meeting of the Board after he knows that he or his associate(s) is or has become so interested. For the purposes of this bye-law, a general Notice to the Board by a director to the effect that:

- (a) he is a member or officer of a specified company or firm and he or any of his associate(s) is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
- (b) he or any of his associate(s) is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him or any of his associates;

shall be deemed to be a sufficient declaration of interest under this bye-law in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(g) by deleting bye-law 103 and substituting thereof the following:

"103. A director shall not vote or be counted in the quorum in respect of any contract or arrangement or proposal in which he or his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:

- (i) the giving of any security or indemnity either:
  - (a) to the director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iii) any proposal concerning any other company in which the director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or member or in which the director or his associate(s) is/are beneficially interested in shares of that company, provided that the director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company."

8. To transact any other business.

By Order of the Board  
**Li Chi Fai**  
 Company Secretary

Hong Kong, 30 April, 2004

**Notes:**

1. The Register of Members of the Company will be closed from 31 May, 2004 (Monday) to 4 June, 2004 (Friday), both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the final dividend and bonus shares, all completed transfer forms together with the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 28 May, 2004 (Friday).
2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's principal office in Hong Kong at Suites 2202-3, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjourned Meeting.

4. Further information regarding the above resolution no. 3 in respect of the biographical details of Mr. Lu Ze Jian, the director who offers himself for re-election, is provided in the section headed "Biographical Information of Directors and Senior Management" in the Company's 2003 Annual Report.
5. With reference to resolution no. 5 above, an application for listing of and permission to deal in the newly issued shares will be made to the Listing Committee of The Stock Exchange of Hong Kong Limited. Subject to the resolution no. 5 being passed at the Annual General Meeting, it is expected that definitive share certificates will be posted at the risk of those entitled thereto on or before 18 June, 2004 and that dealing in the newly issued shares will commence on 21 June, 2004. The Company's shares have been admitted to Central Clearing and Settlement System (CCASS) and dealing in such shares may be settled through CCASS.
6. A circular setting out further information regarding the above resolutions nos. 6A, 6B, 6C and 7 will be despatched to the members of the Company together with the Company's 2003 Annual Report.