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**First Dragoncom Agro-Strategy Holdings Limited**  
**第一龍浩農業策略控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 875)**

**ISSUE OF WRIT OF SUMMONS,  
RESULT OF SPECIAL GENERAL MEETING,  
APPOINTMENT AND RESIGNATION OF DIRECTORS,  
CHANGE OF REGISTERED OFFICE,  
UPDATE ON THE COMPANY AND  
CLARIFICATION ANNOUNCEMENT**

The Board announces that the Writ has been filed in the High Court against the Company. It is stated in the Writ that the Company failed to repay Elegant World the amount of HK\$3,085,000, being the principal of the Loan and interest incurred.

The Petition is to be heard in the High Court on 30 November 2005. The Company would like to clarify that no liquidator or receiver in relation to the above has been appointed as of the date of this announcement.

The Board further announces that Mr. Jiang Guoan, Dr. Cheng Chuange, Mr. Ding Jiangyong, Mr. Ho Kit Man, Mr. Shen Jiantai and Ms. Zhao Ping have been appointed as executive Directors with effect from 31 October 2005 and Ms. Lee Chunxiu as an independent non-executive Director with effect from 1 November 2005. Furthermore, Mr. Yu Chinshih and Mr. Chu Cheong Kit Raymond have resigned as an executive Director and independent non-executive Director respectively with effect from 31 October 2005.

Please be informed that the Company's registered office will be relocated to Unit 4208-10, 42/F., Cosco Tower, 183 Queen's Road Central, Hong Kong, with effect from 8 November 2005. The telephone and fax numbers of the Company shall remain unchanged.

The Company's bank account has been frozen by the bank following the filing of the winding-up petition against the Company. Accordingly, the operations carried out by the Company itself are very limited at this stage. However, the Directors would like to point out that the Company's principal subsidiary Hebei Bashang, a company principally engaged in nurturing, selling and trading of tree seedlings in the PRC, is still in operation.

The Board would also like to announce that the Company is currently in negotiation with an independent investor for the possible injection of funding into the Company.

On 19 October 2005, officers of the Commercial Crime Bureau of the Hong Kong Police conducted a search of the Company's office in Hong Kong as part of their investigation in the Non-existent Deposits. The police officers have obtained a warrant for the removal of certain documents including the Company's books and records, minutes, bank statements, etc. from the Company's office to the police station for their further investigation.

\* For identification purposes only

In view of the Company's development since the suspension of trading in the Company's securities, the Exchange is concerned whether the Company is in compliance with the requirements under Rule 13.24 of the Listing Rules and has made enquires to the Company. The Company will provide further updates in due course.

**Investors are advised to exercise extreme caution when dealing in the securities of the Company.**

At the request of the Company, trading in the Company's securities has been suspended from 9:30 a.m. on 28 April 2005 and will remain suspended until further notice.

## ISSUE OF WRIT OF SUMMONS

The board (the "Board") of directors (the "Directors") of First Dragoncom Agro-Strategy Holdings Limited (the "Company") would like to announce that on 13 October 2005, the Company received a writ of summons (the "Writ") dated 12 October 2005 filed against the Company in the High Court of Hong Kong (the "High Court") by Elegant World Investment Limited ("Elegant World"), one of the Company's creditors. Elegant World claims that it has advanced a loan in the amount of HK\$3,000,000 (the "Loan") to the Company on 29 June 2005. Under the relevant agreement, the Loan shall carry an interest rate of 12% per annum and the Company shall repay Elegant World on 22 September 2005. Interest incurred in relation to the Loan during the period 29 June 2005 to 22 September 2005 is HK\$85,000. It is further stated in the Writ that the Company failed to repay Elegant World the amount of HK\$3,085,000, being the principal of the Loan and interest incurred, on 22 September 2005.

As at the date of this announcement, the Company does not have the financial resources to satisfy in full the claim stated under the Writ. However, management of the Company is in negotiations with Elegant World for an extension to the repayment term.

## RESULT OF SPECIAL GENERAL MEETING

Your attention is drawn to the Company's announcement dated 10 August 2005 in relation to the special general meeting (the "SGM"). The Directors are pleased to announcement that the SGM was successfully held on 31 October 2005. Two shareholder of the Company who hold an aggregate of 334,004,000 shares of the Company, representing approximately 13.19% of the Company's issued share capital as at the date of the SGM, participated in the SGM.

The result is as follows:

Special Resolution	Number of votes	
	For	Against
To approve the removal of Dr. Qian Keming, Mr. Huang Jianhua, Mr. Han Jide and Mr. Qin Qing Yun as Directors and appoint Jiang Guo An, Ho Kit Man, Shen Jian Tai, Ding Jiang Yong, Zhao Ping, Cheng Ghuange as Directors	334,004,000 shares (100%)	0 shares (0%)

Please note that Dr. Qian Keming, Mr. Huang Jianhua, Mr. Han Jide and Mr. Qin Qing Yun have all resigned as Directors prior to SGM. Dr. Qian's resignation was announced by the Company on 29 July 2005 while Mr. Huang, Mr. Han and Mr. Qin's resignations were announced by the Company on 26 August 2005.

## APPOINTMENT AND RESIGNATION OF DIRECTORS

As mentioned in the prior section, shareholders of the Company have approved at the SGM the appointment of Mr. Jiang Guoan (蔣國安), Dr. Cheng Chuange (程傳閣), Mr. Ding Jiangyong (丁江勇), Mr. Ho Kit Man, Ellis (何杰敏), Mr. Shen Jiantai (沈健太) and Ms. Zhao Ping (趙萍) as executive Directors with

effect from 31 October 2005. In addition, Ms. Lee Chunxiu (李春秀) has been appointed by the Board as an independent non-executive Director with effect from 1 November 2005. Ms. Lee also became members of both of the Company's audit committee and remuneration committee on the same date.

### **Appointment of executive Directors**

Mr. Jiang, aged 58, is currently the chief executive officer of China Wallink Holding Group Co., Ltd (中國華力集團股份有限公司) ("China Wallink"). He has extensive business experience in the PRC and is in charge of the real estate, medical services and energy sector of China Wallink. Mr. Jiang attended the People of China Army Artillery Polytechnic (中國人民解放軍炮兵工程學院). He has been appointed as an executive Director and chairman of the Board. Mr. Jiang's emolument in compensation for his services to the Company is HK\$60,000 per month, payable in each of the twelve months in a year plus an additional one month's salary for each year, i.e. thirteen months of salary for each calendar year.

Dr. Cheng, aged 41, has over 10 years of experience in the banking and financial sector and is currently the deputy executive of Concord Capital Securities Limited (協和證券有限公司) which is 100% directly owned by Concord Group (BVI) Limited. Dr. Cheng holds a Bachelor of Arts degree from Zhengzhou University (鄭州大學) and a Master of Arts degree and a Ph.D from Wuhan University (武漢大學). Dr. Cheng's emolument in compensation for his services to the Company is HK\$80,000 per year.

Mr. Ding, aged 37, attended the Wuhan Technology University of Survey and Mapping (武漢測繪科技大學) and obtained a education certificate. He has experience in real estate development including execution of projects, infrastructure design, development and sales and marketing. Mr. Ding is currently the chairman of China Wallink and the chairman of three of China Wallink's subsidiaries. Mr. Ding's emolument in compensation for his services to the Company is HK\$80,000 per year.

Mr. Ho, aged 47, has close to twenty years of experience in the finance and security sector. Mr. Ho is currently the chief executive officer of Concord Capital Securities Limited. Mr. Ho will not receive any emolument in relation to his appointment as an executive Director.

Save as disclosed below, Mr. Jiang, Dr. Cheng, Mr. Ding and Mr. Ho do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. China Wallink is deemed to be interested in the Company by virtue of its 98% interest in Legend (Group) Investment Limited, which in turn holds a 33% interest in Concord Group (BVI) Limited, which in turn holds a 100% interest in Concord Strategic Investments Limited, which in turn is directly interested in 530,530,000 shares of the Company representing approximately 20.95% of the Company's issued share capital. Accordingly, China Wallink is deemed to be holding an approximately 20.95% interest in the Company.

Mr. Shen, aged 47, graduated from Jilin University (吉林大學) with a bachelor's degree in economics and has extensive business experience in the PRC. He is currently the chief executive officer of Hainan Shenhai Company Limited (海南深海股份有限公司), a company principally engaged in real estate and agricultural development. Mr. Shen will not receive any emolument in relation to his appointment as an executive Director. He does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Ms. Zhao, aged 32, has over 12 years experience in the banking and finance sector and has been in managerial roles in Shenzhen Commercial Bank (深圳商業銀行) and China Construction Bank (中國建設銀行). She obtained a bachelor's degree in international finance from China Socialist Distant Learning University (中國社會學函授大學) and Master of Business Administration degree from the People of China Aviation Engineering College (中國人民解放軍空軍工程學院). Ms. Zhao's emolument in compensation for her services to the Company is HK\$80,000 per year. She does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Jiang, Dr. Cheng, Mr. Ding, Mr. Ho, Mr. Shen and Ms. Zhao have not held any directorships in other listed companies in the last three years. Furthermore, they are not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance. None of Mr. Jiang, Dr. Cheng, Mr. Ding, Mr. Ho, Mr. Shen and Ms. Zhao has entered into a

service contract with the Company. At the end of the two-year term, their appointment is subject to retirement by rotation and re-election in accordance with the by-laws of the Company. The emolument payable to each of these Directors has been reviewed and approved by the Company's remuneration committee.

### **Appointment of independent non-executive Director**

Ms. Lee, aged 38, graduated from the law school of Wuhan University (武漢大學法律學院) in 1989 and joined a law firm in Shenzhen in 1990. Since 1995, she has worked at various companies participating in project evaluation, property management and legal services. In 2000, she joined Tellus Holdings Limited (特力集團(股份)有限公司) ("Tellus") acting as its legal consultant. In 2001, she became the secretary to the board of directors of Tellus and participated in a major reorganization of the enterprise. She has been transferred to the executive's office of Tellus since 2004. Ms. Lee's emolument in compensation for her services to the Company is HK\$50,000 per year. The emolument payable to Ms. Lee has been reviewed and approved by the Company's remuneration committee. Ms. Lee has not held any directorships in other listed companies in the last three years. She does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Ms. Lee not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance. As an independent non-executive Director, she has also been appointed as a member of the Company's audit committee and remuneration committee with effect from 1 November 2005.

### **Resignation of Directors**

On 1 November 2005, Mr. Yu Chinshih and Mr. Chu Cheong Kit Raymond, being an executive Director and an independent non-executive Director respectively, tendered their resignations from their office in the Company due to personal reasons. They do not have any disagreement with the Board and there are no matters that they consider are needed to be brought to the attention of the Company's shareholders. The Board would like to take this opportunity to express its gratitude to Mr. Yu and Mr. Chu for their contribution to the Company.

The Board would also like to announce that with effect from 1 November 2005, the emolument payable to Mr. Lau Man Kin, being one of the executive Directors, has been increased from HK\$20,000 per month to HK\$30,000 per month, payable in each of the twelve months in a year plus an additional one month's salary for each year, i.e. thirteen months of salary for each calendar year.

### **CHANGE OF REGISTERED OFFICE**

Please be informed that the Company's registered office will be relocated to Unit 4208-10, 42/F., Cosco Tower, 183 Queen's Road Central, Hong Kong, with effect from 8 November 2005. The telephone and fax numbers of the Company shall remain unchanged. This office space is provided by Concord Strategic Investments Limited, a substantial shareholder of the Company holding approximately 20.95% of the Company's issued share capital, free of any rental fee. As such, this constitutes an exempt continuing connected transaction exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **UPDATE ON THE COMPANY**

#### **Claims made against the Company**

Investors are advised to refer to the Company's announcements dated 13 and 22 September 2005 and 3 October 2005 for details regarding a number of statutory demands and a winding-up petition filed against the Company. Your attention is drawn to the Company's announcement dated 3 October 2005 in relation to the filing of a winding-up petition (the "Petition") against the Company. The Petition is to be heard in the High Court on 30 November 2005. The Company would like to clarify that no liquidator or receiver in relation to the above has been appointed as of the date of this announcement. As the Company is expected to provide defense against the Petition at the court hearing on 30 November 2005, the appointment of a liquidator or receiver before that date is considered to be unlikely.



Below is a summary of various claims made against the Company:

<b>Name of creditor</b>	<b>Date of announcement</b>	<b>Nature of claim</b>	<b>Amount claimed</b>	<b>Status</b>
1. Elegant World	8 November 2005	Outstanding loan advanced to the Company and interest incurred	HK\$3,085,000	Writ of summons issued against the Company in the High Court on 12 October 2005. The Company is awaiting the court to schedule the court hearing.
2. Tsun & Partners	3 October 2005	Outstanding legal fees and disbursements	HK\$3,723,000	Winding-up petition filed against the Company in the High Court on 30 September 2005. The petition is scheduled to be heard in the High Court on 30 November 2005.
3. Greater Prosper Finance Limited	13 and 22 September 2005	Outstanding loan advanced to the Company, interest incurred and incidental fees	HK\$12,330,000	Statutory demand filed against the Company on 8 September 2005. A writ of summons was subsequently issued on 22 September 2005. The Company is awaiting the court to schedule the court hearing.
4. Capital Wealth Corporation Limited	13 and 22 September 2005	Outstanding consultancy service fees	HK\$4,860,000	Statutory demand filed against the Company on 9 September 2005. A writ of summons was subsequently issued on 22 September 2005. The Company is awaiting the court to schedule the court hearing.
			Total: <u>HK\$23,998,000</u>	

### **Operations of the Company**

The Company's bank account has been frozen by the bank following the filing of the winding-up petition against the Company. Accordingly, the operations carried out by the Company itself are very limited at this stage. However, the directors of the Company (the "Directors") would like to point out that the Company's principal subsidiary Hebei Bashang Plant Seeds Co. Ltd., (河北壩上林木種苗有限公司) ("Hebei Bashang"), the Company's 70% owned subsidiary and a company principally engaged in nurturing, selling and trading of tree seedlings in the PRC, is still in operation. But due to foreign exchange restrictions in the PRC and a lack of available cash, the Company is currently unable to remit funds out of the PRC into Hong Kong. The Company currently has approximately HK\$105,000 in bank balance and cash on hand in Hong Kong while Hebei Bashang had about RMB41,000 (approximately HK\$39,000) in bank balance and cash on hand in the PRC as at 30 June 2005. The Directors are of the view that proper books and records have been kept by the Company.

## **Search of the Company's office by the Commercial Crime Bureau**

Your attention is draw to the Company's announcement dated 5 August 2005 regarding the non-existent deposits (the "Non-existent Deposits") in an aggregate amount of approximately HK\$126 million. The Non-existent Deposits were allegedly received by Hebei Bashang on behalf of the Company in June 2004. It was later discovered during an investigation by an independent professional accounting firm that the Non-existent Deposits did not exist. The Non-existent Deposits was reported to the local police in the PRC, the Stock Exchange and the Hong Kong Police on 28 July 2005, 29 July 2005 and 4 August 2005 respectively.

On 19 October 2005, officers of the Commercial Crime Bureau of the Hong Kong Police conducted a search of the Company's office in Hong Kong as part of their investigation in the Non-existent Deposits. The police officers have obtained a warrant for the removal of documents including the Company's books and records, minutes, bank statements, etc. from the Company's office to the police station for their further investigation. Further announcement will be made in relation to the investigation when necessary.

### **CLARIFICATION ANNOUNCEMENT**

Reference is made to the Company's announcement dated 7 September 2005 regarding changes in directorship of the Company. It is mentioned in the relevant announcement that Mr. Yu Jingshi was appointed as an executive Director effective from 7 September 2005. The correct translation of Mr. Yu's name is Mr. Yu Chinshih (余靜士). The incorrect name was used due to an inadvertent translation error.

In view of the Company's development since the suspension of trading in the Company's securities, the Exchange is concerned whether the Company is in compliance with the requirements under Rule 13.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and has made enquires to the Company. The Company will provide further updates in due course.

**Investors are advised to exercise extreme caution when dealing in the securities of the Company.**

At the request of the Company, trading in the Company's securities has been suspended from 9:30 a.m. on 28 April 2005 and will remain suspended until further notice.

By the order of the Board  
**First Dragoncom Agro-Strategy Holdings  
Limited**  
**Lau Man Kin**  
*Executive Director*

Hong Kong, 8 November 2005

*As at the date of this announcement, the directors of the Company are comprised of ten directors, including seven executive directors, namely, Mr. Jiang Guoan, Dr. Cheng Chuange, Mr. Ding Jianguyong, Mr. Ho Kit Man, Ellis, Mr. Shen Jiantai, Ms. Zhao Ping and Mr. Lau Man Kin and three independent non-executive directors, namely, Mr. Chen Bin, Mr. Qin Li and Ms. Lee Chunxiu.*

Please also refer to the published version of this announcement in the China Daily.