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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)**

**UPDATE ON THE COMPANY  
CHANGE OF SUBSTANTIAL SHAREHOLDER  
AND CHANGES TO THE BOARD**

**WINDING-UP PETITION**

On 29 December 2005, the Petitioner and the Company made an application to the High Court for an order to discontinue and dismiss the Petition and on 30 December 2005, the High Court had granted the order to discontinue and dismiss the Petition.

**CHANGE OF SUBSTANTIAL SHAREHOLDER**

The Company has been informed by Concord Strategic that on 5 December 2005, it transferred its entire holding of the Transfer Shares, representing approximately 20.95% of the entire issued share capital of the Company to Chinabond, a fellow subsidiary that is wholly-owned by Concord Group. Upon the transfer of the Transfer Shares, Chinabond will become the registered owner of the Transfer Shares and a substantial shareholder of the Company and Concord Group and its ultimate beneficial owners will remain the ultimate beneficial owner of the Transfer Shares.

## **SHAREHOLDER’S ADVANCE**

Since November 2005, Concord Strategic had advanced Shareholder’s Loan in the aggregate sum of approximately HK\$1.92 million to the Company for its operational expenses up to date of the Transfer. The Company was notified that the Loan was assigned to Chinabond. Subsequently, Chinabond has undertaken to give further interest-free advances to the Company for its continuing operations.

## **CHANGES TO THE BOARD**

The Board announces that with effect from 15 December 2005 Mr. Shen has resigned as an executive director of the Company and that with effect from 30 December 2005, Mr. Lau and Mr. Ho have resigned as executive directors of the Company, due to personal reasons. The Board also announces that with effect from 30 December 2005, Mr. Gong was appointed as an executive director of the Company.

## **DELISTING PROCEDURES**

On 6 December 2005, the Company was informed that the Company has been put into the first stage of delisting procedures by the Stock Exchange.

## **SUSPENSION OF TRADING**

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.

## **UPDATE ON THE WINDING-UP PETITION AND OTHER CLAIMS**

Investors are advised to refer to the announcements of First Dragoncom Agro-Strategy Holdings Limited (the “Company”) dated 13 and 22 September 2005, 3 October 2005, 8 November 2005 and 1 December 2005, respectively, for details regarding various statutory demands, writs of summons and the winding-up petition (the “Petition”) filed against the Company on 30 September 2005 by Tsun & Partners (the “Petitioner”) for outstanding legal fees and disbursements.

As the Company has settled the Petitioner's claim, the Petitioner has agreed to withdraw the Petition. As stated in the Company's announcement dated 1 December 2005, Capital Wealth Corporation Limited ("Capital Wealth") had indicated that it would make an application to act in substitution of the Petitioner in the Petition. However, the application for substitution was withdrawn by Capital Wealth on 14 December 2005 as it is unable to substitute the Petitioner according to the procedural rules of the High Court.

On 29 December 2005, the Petitioner and the Company made an application to the High Court for an order to discontinue and dismiss the Petition and on 30 December 2005, the High Court has granted the order to discontinue and dismiss the Petition.

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

Name of creditor	Date of announcement	Nature of claim	Amount claimed	Status
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 and a date of the court hearing is pending.
Greater Prosper Finance Limited	13 and 22 September 2005	Outstanding loan advanced to the Company, interest 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 and a date for the court hearing is pending.
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 and a date for the court hearing is pending.
Total:			HK\$20,275,000	

## CHANGE OF SUBSTANTIAL SHAREHOLDER

The Company has been informed by Concord Strategic Investments Limited (“Concord Strategic”) that on 5 December 2005, it transferred its entire holding of 530,530,000 shares of HK\$0.01 each in the share capital of the Company representing approximately 20.95% of the entire issued share capital of the Company (the “Transfer Shares”) to Chinabond International Investment Limited (“Chinabond”) (the “Transfer”). Both Concord Strategic and Chinabond are wholly-owned subsidiaries of Concord Group (B.V.I.) Limited (“Concord Group”).

Upon completion of the Transfer, Chinabond will become the registered owner of the Transfer Shares and a substantial shareholder of the Company and Concord Group and its ultimate beneficial owners will remain the ultimate beneficial owners of the Transfer Shares.

According to the register of the substantial shareholders maintained by the Company pursuant to Part XV of the Securities and Futures Ordinance the Company has been notified of the following interests, being 5% or more of the Company’s issued share capital and the following represents the current shareholding of the Company as at the date of this announcement:

<b>Name of shareholder</b>	<b>Number of Shares held at the date of this announcement</b>	<b>Approximate percentage of shareholding</b>
Chinabond International Investment Limited ( <i>Note</i> )	530,530,000	20.95%
Chan Hung Shek	334,000,000	13.19%
Chen Xin	430,000,000	16.98%
Other public shareholders	1,238,013,083	48.88%
Total:	<u>2,532,543,083</u>	<u>100%</u>

*Note:*

Chinabond International Investment Limited is a wholly-owned subsidiary of Concord Group (B.V.I.) Limited in which Legend (Group) Investment Limited, Evertop Investment Holdings Ltd and China Huaxing (HK) International Company Limited hold as to 33%, 34% and 33% respectively. China Wallink Holding Group Co., Ltd is deemed to be interested in the Company by virtue of its 98% interest in Legend (Group) Investment Limited; China Huaxing Group Company is deemed to be interested in the 530,530,000 Shares by virtue of its 98% interest in China Huaxing (HK) International Company Limited; and Evertop Investment Holdings Ltd is beneficially owned owned by Ji Da Wei.

## **Shareholder's advance**

Since November 2005, Concord Strategic had advanced the aggregate sum of approximately HK\$1.92 million, in form of unsecured interest free loan, (the "Shareholder's Loan") to the Company to finance its operational expenses up to date of the Transfer. The Company was notified that the Shareholder's Loan was assigned to Chinabond. The Shareholder's Loan is repayable upon demand. Subsequently, Chinabond has provided further unsecured interest-free advances in the estimated amount of approximately HK\$1.3 million and undertaken to give further unsecured interest-free advances (as necessary) to the Company for its continuing operations. No security has been created over the assets of the Company for the purposes of the Shareholder's Loan and there is no intention to create any security over the assets of the Company for the proposed further advances by Chinabond.

## **CURRENT OPERATIONS OF THE COMPANY**

The Company's 70% owned subsidiary, Hebei Bashan Plant Seeds Co. Ltd ("Hebei Bashan"), continues to be engaged in its principal business activity of nurturing, selling and trading of tree seedlings in the People's Republic of China (the "PRC"). Currently, no other subsidiaries of the Company are in operation other than Hebei Bashan.

The Company's bank accounts have been released following the grant of the order to dismiss and discontinue the Petition. The Company's unaudited bank balance is HK\$102,075.91 as at 3 December 2005.

## **CHANGES TO THE BOARD**

The board of directors (the "Board") of the Company announces that with effect from 15 December 2005 Mr. Shen Jiantai ("Mr. Shen") has resigned as an executive director of the Company and that with effect from 30 December 2005, Mr. Lau Man Kin ("Mr. Lau") and Mr. Ho Kit Man ("Mr Ho") have resigned as executive directors of the Company, due to personal reasons.

Each of Mr. Ho, Mr. Shen and Mr. Lau confirms that he has no disagreement with the Company and that there is no matter connected with their respective resignations that needs to be brought to the attention of the shareholders of the Company.

The Board also announces that with effect from 30 December 2005, Mr. Gong Zeng Li ("Mr. Gong") is appointed as an executive director of the Company.

Mr. Gong, aged 41, has attained tertiary education level from Wuhan University. Mr. Gong had ten years experience in various media corporations in the PRC. Mr. Gong was formerly the assistant to the general manager of Shenzhen Tianwai Shisun Co. Ltd., and Mr. Gong has served as the officer of Huaan Insurance Co. Ltd from 1996-2000. From 2000 to the present, Mr. Gong is the director of 深圳市瀚通投資有限公司 (Shenzhen City Han Tong Investment Limited) and Hart Investment Holdings Company Limited respectively.

Save as disclosed, Mr. Gong has not held any directorship in any listed public companies in the last three years. He does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Gong is 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.

Mr. Gong has not entered into any service contract with the Company and his appointment is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. Mr. Gong's emoluments in compensation for his services to the Company is fixed at HK\$80,000 per annum and are determined by the Board based on his anticipated time and effort to be spent on the Company's affairs and with reference to the remuneration benchmark in the industry and the prevailing market conditions. His compensation is also subject to the approval by the remuneration committee of the Company.

## **DELISTING PROCEDURES**

On 6 December 2005, the Company was informed that the Company has been put into the first stage of delisting procedures by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was also informed that unless it takes adequate action to obtain restoration of its listing and submits a valid resumption proposal which satisfactorily addresses Rule 13.24 of the Rules Governing the Listing of Securities on the Stock Exchange together with other issues made known to the Company by the Stock Exchange within six months from 6 December 2005, the Stock Exchange will proceed to place the Company in the second stage of the delisting procedures at the expiry of the such six month period, i.e. on 5 June 2006.

## SUSPENSION OF TRADING

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**  
**Cheng Chuange**  
*Executive Director*

Hong Kong, 6 January 2006

*As at the date of this announcement, (taking into account the changes to the Board mentioned above) the directors of the Company are comprised of eight directors, including five executive directors, namely, Mr. Jiang Guoan, Dr. Cheng Chuange, Mr. Ding Jiangyong, Ms. Zhao Ping and Mr. Gong Zeng Li and three independent non-executive directors, namely, Mr. Chen Bin, Mr. Qin Li and Ms. Lee Chunxiu.*

\* *For identification purpose only*

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