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EURO-ASIA AGRICULTURAL (HOLDINGS) COMPANY LIMITED

歐亞農業(控股)有限公司*

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The board of directors of Euro-Asia Agricultural (Holdings) Company Limited received the letters of resignation from Mr. Li Gang, executive director and chief executive officer, and Ms. Liu Gui Fen, executive director and vice president of general administration on 8 October 2002. The Board also wishes to supplement the press announcement dated 4 October 2002 in respect of the updated status of Mr. Yang Bin, executive director and Chairman of Euro-Asia Agricultural (Holdings) Company Limited.

The board of directors (the “**Board**”) of the Company wishes to announce that Mr. Li Gang, executive director and chief executive officer, and Ms. Liu Gui Fen, executive director and vice president of general administration, tendered his/her letter of resignation to the Company on 8 October 2002 for personal reasons. Mr. Li Gang and Ms. Liu Gui Fen proposed that their resignation from office to take effect on 8 October 2002.

However, the Board has not yet approved their resignation (a) in order to avoid management overhang and to ensure smooth interim handover arrangements and; (b) due to subsequent succession arrangements in light of their directors’ obligations and the required notice period of termination under their respective service agreements, the Board has not approved their resignation but postpone to a later board meeting for approval and the Company reserves all its rights in this matter. Meanwhile, the remaining executive directors of the Board will use their best endeavours to stabilize management in the Shenyang office and assess the impact of the recent changes in directors and negative allegations in the media reports on the operations of the Group.

It is the Board’s understanding that the management board at Shenyang office is now facilitating the investigation by the Mainland authorities of the People’s Republic of China (“PRC”) regarding Mr. Yang Bin’s suspected involvement in illegal business activities, and so could not be contacted.

Professor Gu Zhuping, executive director and deputy chief executive officer, would take the position of acting chief executive officer with immediate effect.

Further to the press announcement dated 4 October 2002, the Board would like to state as follows:

1. Mr. Yang Bin, executive director and Chairman of the Company, could not be contacted up to this moment. The Directors noted a news report on 8 October, 2002 that according to the spokeswoman of the Foreign Ministry of the People's Republic of China, Mr. Yang Bin was suspected to have involved in illegal business activities and was under surveillance residence. However, apart from this, other recent press articles and reports regarding Mr. Yang Bin could not be verified at this stage since he was not available for confirmation;
2. To the best endeavours of the existing directors, the Board would keep the public informed of any new development in relation to Mr. Yang Bin and will make appropriate disclosure as soon as possible, if such related to the Group or is a price sensitive information in nature;
3. The public and investors should be careful when they read the recent press articles and reports about the Company and should rely on the formal announcements and published accounts made by the Company; and
4. Hamburgische Landesbank, Hong Kong branch (the "**Bank**"), has by written notice dated 8 October 2002, demanded for repayment of a credit facility lent to the Group in the sum of HK\$30,000,000 payable on or before 16 October 2002. The Group is negotiating with the Bank to try to come up with a new repayment schedule. The Group will keep the public informed of the progress in this matter. Meanwhile, the Group is also negotiating a repayment schedule of a sum of HK\$30,000,000 upon the request of Chiyu Banking Corporation.

As an investigation of Mr. Yang Bin's suspected involvement in illegal business activities by the Mainland authorities in the PRC is being carried out, the Company has difficulties in communicating with the following executive directors/ex-directors during the preparation of this announcement: Mr. Yang Bin, Mr. Yan Chuang, Mr. Li Gang, Ms. Liu Gui Fen, and Ms. Sang Shu Hua. The existing board members contactable are (a) executive directors: Professor. Gu Zhu Ping, Mr. Sun Jian, Mr. Chiu Wing Chor and Ms. Lam Pui Man; (b) non-executive director: Mr. Wong Hon Sum; and (c) independent non-executive directors: Mr. Li Wei Bin and Mr. Wang Xiao Jun..

Given the fact that (a) the chairman of the Group, Mr. Yang Bin, was (according to news report) under house arrest, and four other founding directors and members holding line functions of the Group had either tendered their resignation from their offices or could not be contacted, (b) the existing directors are therefore not in a position to make representation to confirm whether the Group is connected existing to the chairman Mr. Yang Bin's suspected involvement in illegal business activities as stated by the spokeswoman of the Foreign Ministry of the PRC. A further announcement will be made pending the progress of the above.

The Company is not aware that any professional parties have tendered their resignation, including but not limited to auditors, lawyers or the company secretary.

Trading in the shares of the Company shall remain suspended until further notice or announcement. A further announcement will be made pending the progress of the above.

By order of the Board
Euro-Asia Agricultural (Holdings) Company Limited
Professor Gu Zhuping
Executive Director and Acting Chief Executive Officer

Hong Kong, 10 October 2002

Made by the order of the board of directors of Euro-Asia Agricultural (Holdings) Company Limited (except Mr. Yang Bin, Mr. Yan Chuang, Mr. Li Gang, Ms. Liu Gui Fen and Ms. Sang Shu Hua who could not be contacted at the date of this announcement) of which individually and jointly accept responsibility for the accuracy of this statement.

* *For identification only*

Please also refer to the published version of this announcement in The Standard.