

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **EURO-ASIA AGRICULTURAL (HOLDINGS) COMPANY LIMITED**

**歐亞農業(控股)有限公司\***

*(incorporated in Bermuda with limited liability)*

### **ANNOUNCEMENT**

The Company requested suspension in the trading of the shares of the Company at 9:36 a.m. on 30 September 2002 pending a clarification announcement in respect of the announcements dated 26 September 2002 and 27 September 2002 made by the Company.

On 26 September 2002 and 27 September 2002 respectively, the Company made announcements upon enquiries made by the Stock Exchange regarding movement in the price and trading volume of its Shares. Before the publication of the announcements, the Board had confirmed with all directors of the Company including Mr. Yang Bin on the accuracy and completeness of the Previous Announcements. The Company was informed by Mr. Yang Bin on 27 September 2002 that Wise Capital disposed of 39,388,000 shares of the Company (representing approximately 2.37% of the issued share capital of the Company) at an average price of HK\$0.416 per Share. Save as disclosed in those announcements and public information known by the directors of the Company, the Board was not aware of any other reason for such price and trading volume movements.

On 30 September 2002, the Board was further informed by Mr. Yang Bin that Wise Capital had also disposed of 20,000,000 shares of the Company (representing approximately 1.205% of the issued share capital of the Company) at an average price of HK\$0.497 per Share on 26 September 2002, and 22,500,000 shares of the Company (representing approximately 1.355% of the issued share capital of the Company) at an average price of HK\$0.396 per Share on 27 September 2002.

Other than the written confirmations made by Mr. Yang Bin on 26 September 2002 and 27 September 2002, he made a clarification to the Board on 30 September 2002 as aforesaid. Mr. Yang Bin explained that he was arranging and attending a press conference in Shenyang and meeting the reporters during 26 September 2002 and 27 September 2002 and the tight schedule of events had made him overlook the matter inadvertently. The Stock Exchange is concerned about the accuracy and completeness of the Previous Announcements made by the Company which each Director individually and jointly accept responsibility and is looking into the matter and reserves the right to take appropriate action.

The Company was also requested by the Securities and Futures Commission to announce certain dealings in the Shares between 6 August 2002 and 17 September 2002 by Win Joy Investment Limited and Win Share Investment Limited. The Commission is conducting an investigation into possible breaches of the Securities (Disclosure of Interests) Ordinance and of the related matters.

Trading of 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.

## **Introduction**

This announcement is made by Euro-Asia Agricultural (Holdings) Company Limited (the “**Company**”) to clarify the announcements dated 26 September 2002 and 27 September 2002 (collectively the “**Previous Announcements**”) in respect of the price and trading volume movements of the shares of the Company (the “**Shares**”) made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Securities and Futures Commission (the “**Commission**”) has requested the Company to announce certain dealings in the Shares between 6 August 2002 and 17 September 2002 by Win Joy Investment Limited (“**Win Joy**”) and Win Share Investment Limited (“**Win Share**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the Previous Announcements.

## **The Previous Announcements**

On 26 September 2002, the Company noted fluctuations in price and increase in trading volume of the Shares. Upon enquiries made by the Stock Exchange, and after confirmation on 26 and 27 September 2002 with the then board of directors of the Company comprised of Mr. Yang Bin, Mr. Yan Chuang, Mr. Li Gang, Professor Gu Zhu Ping, Ms. Liu Gui Fen, Ms. Sang Shu Hua, Mr. Sun Jian, Mr. Chiu Wing Chor, Ms. Lam Pui Man, Mr. Wong Hong Sum, Mr. Li Weibin and Mr. Wang Xiaojun, an announcement was made by the Company on the same date stating that, save as disclosed in the announcement dated 25 September 2002 and all public information known by the Directors, the Board was not aware of any reason for such fluctuations and increase.

On 27 September 2002, the Company again noted a decrease in price and an increase in trading volume of the Shares. Upon the enquiries made by the Stock Exchange, the Board was informed by Mr. Yang Bin that Wise Capital Investments Limited (“**Wise Capital**”) decreased its stake in the Company by disposing of 39,388,000 Shares to the stock market on the same date (representing approximately 2.37% of the issued share capital of the Company) at an average price of HK\$0.416 per Share. After confirmation with the Board, the Company made an announcement on the same date disclosing the details of securities transactions by Wise Capital. Save as disclosed therein, the Board was not aware of any other reason for such movement.

## **Clarification on disposal of Shares by Wise Capital**

On 30 September 2002, the Board was further informed by Mr. Yang Bin on behalf of Wise Capital that in addition to the disposal of 39,388,000 Shares on 27 September 2002, it had also disposed of 20,000,000 Shares (representing approximately 1.205% of the issued share capital of the Company) on 26 September 2002 at an average price of HK\$0.497 per Share and 22,500,000 Shares (representing approximately 1.355% of the issued share capital of the Company) on 27 September 2002 at an average price of HK\$0.396 per Share to the stock market. Accordingly, the total number of Shares disposed by Wise Capital on 26 September 2002 and 27 September 2002 were 20,000,000 Shares (representing approximately 1.205%) at an average price of HK\$0.497 per Share and 61,888,000 Shares (representing approximately 3.728%) at an average price of HK\$0.4087 per Share respectively.

In ascertaining whether any Director had any dealing in the securities of the Company and whether any of them is aware of any reason for the fluctuation in price and trading volume of the Shares, the Company had sought and obtained written confirmations from each of them on the accuracy and completeness of the contents of the Previous Announcements before they were made.

Other than the written confirmations made by Mr. Yang Bin on 26 September 2002 and 27 September 2002, he made a clarification to the Board on 30 September 2002 as aforesaid. Mr. Yang Bin explained that he was arranging and attending a press conference in Shenyang and meeting the reporters during 26 September 2002 and 27 September 2002 and the tight schedule of events had made him overlook the matter inadvertently. At the request of the Stock Exchange, the Company also intended to seek confirmation from Mr. Yang Bin on whether the aforesaid disposal was made under his own instruction or whether such disposals were related to any pledge of Shares or forced sales. However, as an investigation of Mr. Yang Bin's suspected involvement in illegal business activities by the Mainland authorities in the People's Republic of China is being carried out and given the fact that Mr. Yang Bin was (according to news report) under house arrest, the Company could not communicate with Mr. Yang Bin and unable to obtain further information, comments or clarification from Mr. Yang Bin at this time.

Save as disclosed in this Announcement, the Previous Announcements and all public information known by the Directors, the Board is not aware of any other reason for the price and volume movements on 26 September 2002 and 27 September 2002.

The entire issued share capital of Wise Capital is beneficially owned by Mr. Yang Bin, the Chairman and executive director of the Company. Before the disposal of 81,888,000 Shares in aggregate by Wise Capital on 26 September 2002 and 27 September 2002, its shareholding in the Company was approximately 54%. Subsequent to the aforesaid disposal, the shareholding held by Wise Capital decreased to approximately 49.06%.

The Stock Exchange is concerned about the accuracy and completeness of the Previous Announcements made by the Company which each Director individually and jointly accept responsibility and is looking into the matter and reserves the right to take appropriate action.

## **Announcement made at request of the Commission**

The Company was informed that according to findings of the Commission, between 6 August 2002 (the date on which Mr. Yang Bin, the Chairman and executive director of the Company, sold 150 million of his existing shares to each of two strategic investors, namely Win Joy and Win Share) and 27 August 2002, Win Joy had sold all its 150 million shares at an average price of HK\$1.0508 per share while Win Share had, between 28 August 2002 and 17 September 2002, sold all its 150 million shares at an average price of HK\$0.767 per share. In this regard, the Commission considered that these “strategic investors” had sold all their purchased shares in the market at substantial losses within a matter of 6 weeks. Given the manner surrounding the sales, the Commission is conducting an investigation into possible breaches of provisions of the Securities (Disclosure of Interests) Ordinance and of the related matters. For reasons aforesaid, the Company could not communicate with Mr. Yang Bin and unable to obtain further information, comments or clarification from Mr. Yang Bin at this time.

## **Suspension of trading of Shares and Further Announcements**

Trading of the Shares shall remain suspended until further notice or announcement. Further announcements will be made pending the progress of the above and announcements in respect of the repayment of the credit facility lent to the Company and its subsidiaries by Hamburgische Landesbank, Hong Kong branch and the tender of the resignation of Ms. Lam Pui Man on 13 October 2002 which the Company is considering but has not approved. The Company will make a subsequent announcement to address the resignation of Ms. Lam Pui Man as matters progress.

By order of the Board  
**Euro-Asia Agricultural (Holdings) Company Limited**  
**Professor Gu Zhu Ping**  
*Acting Chief Executive Officer*

Hong Kong, 15 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, 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.