

*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 disclaims 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 Board of Directors announces the new management appointments of the Company and the resignation of an executive director of the Company. The Company would like to announce and update the public on the current status of its operations and management.

#### **(A) New management appointments**

The board of directors (the “**Board**”) of Euro-Asia Agricultural (Holdings) Company Limited (the “**Company**”) announced the following appointments to restructure the board of directors of the Company in order to maintain the business and limited operations of the Company:

- (1) As Mr. Yang Bin is under surveillance residence in the PRC, the Board resolved to temporarily redesignate Mr. Yang Bin as non-executive director and non-executive chairman of the board of directors of the Company with effect from 16 October 2002.
- (2) Mr. Jacobus Lekkerkerk, the current chief operating officer of the Company and its subsidiaries (the “**Group**”), is appointed as an executive director of the Company and acting chairman of the board of directors of the Company with effect from 16 October 2002.
- (3) Mr. Rex Chiu Wing Chor, the current executive director (corporate development) of the Company, is appointed as acting chief executive officer of the Company with effect from 16 October 2002.
- (4) Professor Gu Zhuping, the current executive director (research and development) and acting chief executive officer, is redesignated as acting chief executive officer of Shenyang Euro-Asia Agriculture Development Co. Ltd. (“**SEAA**”) and deputy chief executive officer of the Company with effect from 16 October 2002.
- (5) Ms. Lam Pui Man tendered her resignation as executive director of the Company with effect from 25 October 2002. Ms. Lam Pui Man remains as the compliance and finance manager of the Company. No other directors of the Company have tendered or indicated an intention to resign.
- (6) The Board has not yet approved the resignation of executive directorship by Mr. Yan Chuang, Mr. Li Gang and Ms. Liu Gui Fen (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.

The existing board members contactable are (a) executive directors: Mr. Jacobus Lekkerkerk, Mr. Rex Chiu Wing Chor, Professor Gu Zhuping, Mr. Sun Jian, and Ms. Lam Pui Man; and (b) independent non-executive directors: Mr. Li Weibin and Mr. Wang Xiaojun.

**(B) Management of the principal operating subsidiary in Shenyang**

The principal business of the Company is operated by SEAA in the People's Republic of China (the "PRC"). SEAA held, among others, the greenhouses and other auxiliary production facilities of the Group and cash deposits with the PRC banks. SEAA is a wholly foreign owned enterprise held by Success Honour Limited, the latter of which was wholly owned by the Company. The legal representative, chairman and director of SEAA is Mr. Yang Bin. SEAA has four other directors, namely Mr. Yan Chuang, Mr. Li Gang, Professor Gu Zhuping and Mr. Yao Qinan.

However, since 4 October 2002, the PRC authorities have been conducting investigations (the "Investigations") on Mr. Yang Bin and his connected companies for suspected involvement in illegal business activities in the PRC. Since then, Mr. Yang Bin has been (according to news report) under surveillance residence and can neither be located nor contacted.

The business and operations of SEAA have been affected by the Investigation. Despite the efforts of the remaining members of the board of directors, the condition of SEAA has been worsening and deteriorating. The Company has lost contact with most of the members of the senior management of SEAA. Mr. Li Gang, the ex-chief executive officer of the Company and Ms. Liu Gui Fen, executive director in charge of general administration of the Group, tendered their resignation letter on 8 October 2002. Ms. Liu Gui Fen and Ms. Sang Shu Hua, executive director and chief accountant of the Group, could not be contacted since then.

Professor Gu Zhuping is the only senior management who could be contacted in the Shenyang Office at the present time and who has not tendered a resignation letter. He was in charge of research and development, rather than sales, production or finance of SEAA or the Group. Mr. Jacobus Lekkerkerk and his team (based at Shenyang) was also contactable and was able to keep limited production and nursery in the greenhouses. Apart from Ms. Liu Gui Fen and Ms. Sang Shu Hua, other senior staff of the finance department of SEAA were also not contactable since the end of the PRC National Day Holiday on 8 October 2002.

Even though Professor Gu Zhuping became the acting chief executive officer of the Company upon Mr. Li Gang's resignation on 8 October 2002, he, without the assistance of the personnel of the finance department of SEAA, has neither been able to access the bank accounts nor transfer the funds of SEAA. The production of SEAA is expected to be affected.

The Company further experienced a technical cashflow problem since it could not operate the bank accounts of SEAA nor remit foreign exchange to its Hong Kong office.

Apart from the change in management in the Company level in paragraph (A) above, the Company has taken the following measures, including:

- (1) the board of directors of SEAA will be restructured with addition of new directors, with Mr. Jacobus Lekkerkerk as the legal representative and director of SEAA, while Mr. Rex Chiu Wing Chor and Mr. Sun Jian will also be added as new directors of SEAA. Mr. Yan Chuang, Mr. Li Gang and Mr. Yao Qinan will be removed from directorship of SEAA. Mr. Yang Bin will remain as a director of SEAA. As SEAA is incorporated in the PRC, the change of directors and authorised signatories requires, among others, filing of resolutions with the Shenyang Commission of Foreign Trade and Economic Cooperation; and
- (2) the Board has been negotiating with the banks in Hong Kong in revising their repayment schedule of their bank loans. The Company and Hamburgische Landesbank, Hong Kong branch are negotiating an agreement to postpone the repayment of the sum of HK\$30,000,000.00. The Company is also negotiating a revised repayment schedule in respect of the repayment of HK\$30,000,000.00 with Chiyu Banking Corporation. The Company will update the public as soon as new repayment schedules are agreed with the two creditor banks. As well, the Company is negotiating and considering the appointment of financial advisers to advise and assist the Group on financial matters.

**(C) Suspension and Resumption of Trading of Shares**

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.

By order of the Board  
**Euro-Asia Agricultural (Holdings) Company Limited**  
**Mr. Jacobus Lekkerkerk**  
*Acting Chairman*

Hong Kong, 16 October 2002

*Made by the order of the board of directors of Euro-Asia Agricultural (Holdings) Company Limited (except Mr. Yang Bin, Mr. Li Gang, 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.