

Euro-Asia Agricultural (Holdings) Company Limited

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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)

(Provisional Liquidators Appointed)

Stock code: 932

Financial adviser to the Provisional Liquidators

**Deloitte & Touche
Corporate Finance Ltd**

ANNOUNCEMENT

As the Company was unable to satisfy the Stock Exchange in relation to the Additional Condition imposed by the Stock Exchange, the Stock Exchange rejected the Resumption Proposal on the basis that it is not a viable resumption proposal.

The resumed hearing of the Petition has been further adjourned to 10 May 2004.

Trading in the shares of the Company has been suspended since 30 September 2002 and will remain suspended until further notice.

The Resumption Proposal

Reference is made to the announcement of the Stock Exchange dated 31 October 2003 (the “Stock Exchange Announcement”) and the announcements of Euro-Asia Agricultural (Holdings) Company Limited (歐亞農業(控股)有限公司) * (Provisional Liquidators

Appointed) (the “Company”) dated 18 November 2003, 9 January 2004 and 9 February 2004 (collectively, the “Announcements”). Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Announcements.

As stated in the Announcements, a resumption proposal in relation to the Company (the “Resumption Proposal”) was submitted by the Provisional Liquidators to the Stock Exchange on 24 December 2003 for its review.

In the Stock Exchange Announcement, the Stock Exchange stated that

- (1) a valid resumption proposal most importantly will need to demonstrate the Company’s compliance with the Listing Rules and all applicable laws and regulations in the PRC, Hong Kong and the Company’s place of incorporation (the “Additional Condition”); and
- (2) the proposal, if it were implemented, would enable the Company to demonstrate that it is in compliance with Paragraph 38 of the Listing Agreement.

The Additional Condition was imposed by the Stock Exchange pursuant to the rights reserved under Rule 6.04 of the Listing Rules.

According to the Stock Exchange, the Additional Condition would include, but not be limited to, the Company satisfactorily addressing certain allegations made in the press (the “Allegations”) in relation to the accuracy of information contained in the prospectus of the Company dated 9 July 2001 which include alleged

- falsification of Company’s accounts during the track record period;
- incorrect disclosure relating to aggregate area of the Company’s computerized greenhouses and the total income generated from the greenhouses; and
- illegal land use.

The Stock Exchange is of the view that all of the above Allegations would potentially have a material impact on the Company's suitability to be listed on the Stock Exchange and has raised the question about whether the Company obtained its listing by deception. The Stock Exchange also considered that disclosure regarding the Allegations would assist the investing public in understanding the sequence of events resulting in the demise of the Company and the steps taken to seek redress for the Company and its stakeholders.

The Provisional Liquidators are of the view that many of the difficulties in getting information on the Company and its subsidiaries (together, the "Group") have to-date proved insurmountable (because the books and records of the major operating entities of the Group are in the People's Republic of China and the Provisional Liquidators have not been able to gain access to such books and records) and placed constraints on the investigation conducted by the Provisional Liquidators with the consequence that the results of the investigation are disappointing and thus led to the Company's inability to satisfy the Stock Exchange in relation to the Additional Condition.

In view of the above, the Listing Division of the Stock Exchange considered that the Company has yet to demonstrate to the satisfaction of the Stock Exchange that it can fulfill the Additional Condition imposed and that for the Resumption Proposal to proceed, a waiver would be required to exempt the Company from demonstrating its compliance with the Additional Condition. After considering the circumstances of the Company, the Listing Division of the Stock Exchange would not recommend granting such waiver. Accordingly, on 16 March 2004, the Listing Division of the Stock Exchange rejected the Resumption Proposal on the basis that it is not a viable resumption proposal.

The potential investor referred to in the Resumption Proposal has informed the Provisional Liquidators in writing on 25 March 2004 that it had decided not to proceed further with the Resumption Proposal. The Provisional Liquidators accordingly decided not to

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request for a review of the decision of the Listing Division of the Stock Exchange to reject the Resumption Proposal.

The Provisional Liquidators are currently reviewing and assessing other options available in order to protect the interest of the investing public including the minority shareholders and the creditors of the Company. The Company will inform the public of any further development by making a further announcement in due course.

In the case that any resumption proposal approved by the Stock Exchange would result in a change in control of the Company, the Company and the respective potential investor would be required to fully comply with the requirements of the Hong Kong Code on Takeovers and Mergers.

Further adjournment of hearing of the winding-up petition

As stated in the announcement of the Company dated 5 January 2004, the resumed hearing on 29 December 2003 of the petition for winding-up the Company (the "Petition") was adjourned to 29 March 2004 and on that day the High Court of the Hong Kong SAR ordered that the resumed hearing of the Petition be further adjourned to 10 May 2004 for the Provisional Liquidators to continue pursuing the identification, preservation and realization of the assets of the Company. A further announcement will be made after the resumed hearing.

Trading in the shares of the Company has been suspended since 30 September 2002 and will remain suspended until further notice.

For and on behalf of
Euro-Asia Agricultural (Holdings) Company Limited
(Provisional Liquidators Appointed)
Derek Lai

Joint and Several Provisional Liquidator

Hong Kong, 30 March 2004

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The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained herein, the omission of which would make any statement in the announcement misleading.

** for identification only*

Please also refer to the published version of this announcement in The Standard dated 31 March 2004.