

## DISCLOSURE OF SIGNIFICANT EVENTS

1. On 31 May 2001, the Company, its subsidiaries and other relevant parties have entered into five conditional renewal agreements and three conditional supplementary agreements to renew and amend the agreements entered into on 6 June 1997 and 21 September 1998, respectively. Pursuant to such agreements, the Company, its subsidiaries and the relevant parties have agreed conditionally to extend the expiry date of the five agreements from 8 May 2001 to 7 May 2004, to amend the terms of the three agreements by extending its expiry date from 7 May 2002 and 8 October 2002 to 7 May 2004.

The Board is of the view that the renewed agreements and the supplementary agreements described above were entered into during daily operations and on normal commercial terms which were fair and reasonable to the Company and its shareholders taken as a whole. The Company will set up a special independent board committee, which will provide advice to the independent shareholders on the renewed agreements and supplementary agreements and their respective transactions described above. The Company has appointed Deloitte & Touche Corporate Finance Limited as the independent financial adviser to provide opinions for the independent board committee with regards to the above agreements.

Pursuant to the Listing Rules, the above renewed agreements and the supplementary agreements constitute connected transactions and were approved at the extraordinary general meeting held on 24 August 2001.

2. On 26 April 2001, Mr. Wang Wending requested to resign from his post as the Company's director. The Board has accepted Mr. Wang's request and was approved at the extraordinary general meeting held on 24 August 2001.
3. On 22 May 2001, the Company contributed RMB15,695,000 to increase its investment in Yituo (Luoyang) Harvester Co., Ltd., a subsidiary of the Company. After the capital contribution, the equity interest of the Company in such company increased from 90% to 93.43%.