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## **FIRST DRAGONCOM AGRO-STRATEGY HOLDINGS LTD.**

**第一龍浩農業策略控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

### **POSTPONEMENT OF COMPLETION OF PLACING DELAY OF ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2001 AND DESPATCH OF 2001 ANNUAL REPORT**

The Directors of the Company refer to an announcement dated 20th March, 2002 regarding the placing of a total of 251,000,000 new shares in the Company and announce that the completion of the Placing has been postponed to on or before 27th May 2002 or such other date as the Company and the Placing Agent may agree.

The Directors also wish to inform the shareholders of the Company that the announcement of the audited annual results of the Company and its subsidiaries for the year ended 31st December 2001 and the despatch of the 2001 annual report of the Company will be delayed for the reasons set out below. The Company expects to announce its annual audited results and despatch its annual report on or before 22nd May 2002 and 29th May 2002, respectively.

The delay in publication of the audited annual results and despatch of the annual report for the year ended 31st December 2001 constitute breaches of Paragraphs 8(1) and 11(1), whilst failure to release the unaudited annual results for the year ended 31st December 2001 constitutes a breach of Paragraph 11(3)(i)(c) of the Listing Agreement. The Stock Exchange expressly reserves its rights to take appropriate actions against the Company and/or its Directors at its discretion.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

#### **POSTPONEMENT OF COMPLETION OF PLACING**

Reference is made to the announcement (“Previous Announcement”) made by the Company dated 20th March 2002 in relation to the placing through the Placing Agent of the Placing Shares. Terms used in this announcement shall have the same meanings as defined in the Previous Announcement unless otherwise defined herein.

Subsequent to the entry into of the Placing Agreement between the Company and the Placing Agent, the Company has announced on 25th March 2002 that it proposed to reduce the nominal value of its issued share capital and subdivide the unissued share capital of the Company from

HK\$0.10 each to HK\$0.01 each (the “Capital Reorganisation”). A special general meeting of the Company (the “SGM”) will be held on Thursday, 2nd May 2002 to consider and approve, inter alia, the Capital Reorganisation and the renewal of the general mandates granted to the directors of the Company (the “Directors”) to issue and repurchase securities of the company up to a maximum of 20% and 10% respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions as reduced by the Capital Reorganisation. Completion of the Capital Reorganisation is expected to take place on or about 2nd May 2002 after close of business.

Pursuant to the request of the Placing Agent, the Company and the Placing Agent have agreed to postpone the completion of the Placing to a date after the conclusion of the SGM, preferably on or before 27th May 2002 or such other date as the parties may agree. The Directors are not aware that the postponement would cause any material adverse impact on the current financial position of the Company.

### **DELAY OF ANNOUNCEMENT OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT**

The Directors of the Company announce that there will be a delay in the announcement of the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December 2001 (the “Annual Results”) and the despatch of the annual report of the Company for the year ended 31st December 2001 (the “Annual Report”). The delay is due to the recent change in management of the Group which took place on 14th December 2001. On 14th December 2001, Dr. Hon Fong Ming Perry, Dr. Qian Keming, Mr. Zhang Jiebin and Mr. Shang Qingling were appointed to the board of directors of the Company in replacement of 4 resigning directors. In addition, Mr. Ke Yinbin and Mr. Ma Qingguo were appointed as independent non-executive directors of the Company. As a result of the recent change in management of the Group, the Directors require more time to effectuate a proper understanding of the Group’s operations and financial position, which delayed the preparation of the Group’s accounts.

In addition, the auditors of the Group have also indicated that, due to the introduction of newly prescribed rules under the statement of standard accounting practice (“SSAP”), they will require more time to conduct further review of the Group’s financial statements and the relevant documentation. Specifically, the Company is now collating the relevant supporting document, with reference to SSAP rule 2.130 concerning the goodwill of the company and SSAP rule 2.131 concerning the impairment of assets, for its auditors’ review.

Pursuant to Paragraph 11(3)(i)(c) of the Listing Agreement, the Company shall make an announcement on its unaudited financial results for the year ended 31st December 2001, so far as the information is available, as the Company is unable to publish its preliminary audited financial statements. However, as consolidation of the Group’s accounts has not been completed due to the reasons aforesaid, only the annual audited financial results of the Group for the year ended 31st December 2001 will be released on or before 22nd May 2002.

The delay in publication of the Annual Results and the despatch of the Annual Report for the year ended 31st December 2001 constitute breaches of Paragraphs 8(1) and 11(1), whilst failure to release the unaudited annual results for the year ended 31st December 2001 constitutes a breach of Paragraph 11(3)(i)(c) of the Listing Agreement. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") expressly reserves its rights to take appropriate actions against the Company and/or its Directors at its discretion. It is expected that the Annual Results will be published on or before 22nd May 2002 and the Annual Report will be despatched to the shareholders on or before 29th May 2002.

The Company's delay of announcement of the Annual Results and despatch of the Annual Report will not violate any provisions of its Bye-laws or any applicable laws of Bermuda.

The Directors have not dealt in any shares of the Company since 27th March 2002 and have undertaken to the Stock Exchange that they will not deal in any of the shares of the Company until the Audited Results are announced. This announcement is made by the order of the board of Directors, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the board of Directors  
**First Dragoncom Agro-Strategy Holdings Ltd.**  
**Dr. Hon Fong Ming Perry**  
*Chairman*

Hong Kong, 29th April, 2002

\* *For identification only*

Please also refer to the published version of this announcement in the Hong Kong iMail.