

# DIRECTORS' REPORT

## 董事會報告

The directors are pleased to present their first annual report together with the audited financial statements of Euro-Asia Agricultural (Holdings) Company Limited (the "Company") from 6 April 2001 (date of incorporation) to 31 December 2001 and its subsidiaries (together with the Company hereinafter as the "Group") for the year ended 31 December 2001.

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability on 6 April 2001.

Further to the incorporation of the Company, the Group underwent a reorganisation (the "Group Reorganisation") to rationalise the corporate structure of the Group in preparation for the listing of the Company's Group Reorganisation, the Company became the holding company of the Group. Details of the Group Reorganisation are set out in Note 1 to the financial statements.

The shares of the Company have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 19 July 2001.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 13 to the financial statements.

董事會欣然提呈歐亞農業(控股)有限公司(「本公司」)由二零零一年四月六日(註冊成立日期)至二零零一年十二月三十一日及其附屬公司(以下統稱「本集團」)截至二零零一年十二月三十一日止年度的經審計財務報表。

本公司根據一九八一年百慕達公司法於二零零一年四月六日在百慕達註冊成立及註冊為受豁免的有限公司。

本公司註冊成立後，本集團進行了重組(「集團重組」)，以理順集團組織結構，為本公司股份上市作準備。重組後，本公司成為本集團的控股公司。有關集團重組詳情載於財務報表附註1。

本公司的股份於二零零一年七月十九日於香港聯合交易所有限公司(「聯交所」)上市。

## 主營業務

本公司為一間投資控股公司，其附屬公司的主要業務載於財務報表附註13。

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### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2001 are set out in the Consolidated Income Statement on page 46.

The directors recommend the payment of a final dividend of HK\$0.0681 (RMB0.0722) per share to the shareholders whose names appear on the register of members of the Company at 4:00 p.m. on 16 May 2002, totalling HK\$113,046,000 (RMB119,852,000).

### RESERVES

Other than the retention and carrying forward of the net profit of approximately RMB521,093,000, there has been no transfer to or from reserves for the Company and the Group during the year.

### DONATIONS

Charitable donations of RMB10,000 were made during the year.

### FIXED ASSETS

Details of the movements in the fixed assets of the Group are set out in Note 11 to the financial statements.

### SUBSIDIARIES

Particulars of the Group's subsidiaries as at 31 December 2001 are set out in Note 13 to the financial statements.

### SHARE CAPITAL

Details of the movement in the share capital of the Company are set out in Note 19 to the financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and the laws of Bermuda.

### 業績與利潤分配

本集團截至二零零一年十二月三十一日止年度業績載於第46頁綜合損益表。

董事會建議派發末期股息每股普通股0.0681港元（相當於0.0722元人民幣），予於二零零二年五月十六日下午四時本公司股東名冊上所載的股東，共1.13億元港幣（相當於1.20億元人民幣）。

### 儲備

除保留本年度純利約5.21億元人民幣，本公司及本集團於年內並無進行其他儲備提取或撥入。

### 捐獻

本年度慈善捐獻為10,000元人民幣。

### 固定資產

本集團固定資產流動詳情載於財務報表附註11。

### 附屬公司

於二零零一年十二月三十一日，本集團的附屬公司詳情載於財務報表附註13。

### 股本

本公司於本年度的股本變動情況詳載於財務報告附註19。

### 優先認股權

根據本公司公司細則及百慕達法律，並不存在優先購股權的條款。

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### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2001, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 59% of the Group's total turnover and the largest customer accounted for approximately 25% of the Group's total turnover.

The largest supplier for the year ended 31 December 2001 accounted for approximately 23% of the Group's total purchases (not including purchases of a capital nature), and the combined total of the five largest suppliers accounted for approximately 68% of the Group's total purchases for the year.

At no time during the year have the directors, their associates or any shareholder of the Company who to the knowledge of the directors owns more than 5% of the Company's share capital had any interests in these major customers and suppliers.

### DIRECTORS

The directors who held office during the period since incorporation of the Company and up to the date of this report were:

#### Executive Directors appointed on 22 June 2001:

Mr. Yang Bin — Chairman of the Board  
Mr. Yan Chuang — Vice Chairman of the Board  
Mr. Li Gang  
Professor Gu Zhuping  
Mr. Wong Hon Sum (resigned on 10 April 2002)  
Ms. Ho Mei Ling May (resigned on 10 April 2002)

The following directors are appointed executive directors after the end of the financial year on 10 April 2002.

Mr. Chen Jun  
Ms. Liu Gui Fen  
Mr. Sun Jian  
Ms. Sang Shu Hua  
Mr. Chiu Wing Chor  
Ms. Lam Pui Man

#### Non-Executive Directors:

Mr. Yao Qinan (appointed on 22 June 2001 and resigned on 10 April 2002)  
Mr. Wong Hon Sum (appointed on 10 April 2002)

### 主要客戶及供應商

截至二零零一年十二月三十一日止年度，本集團前五名最大客戶的合計營業額佔本集團總營業額59%，其中最大客戶的營業額佔本集團總營業額25%。

截至二零零一年十二月三十一日止年度，本集團最大供應商的總採購額佔本年度總採購額(不包括資本性質的購入)約23%，而前五名最大供應商的合計採購額佔集團的總採購額68%。

本年度內，本公司董事、其聯繫人或任何股東(據董事所知擁有本公司5%以上者)概無在此等主要客戶及供應商中擁有任何權益。

### 董事

自本公司註冊成立之日起至本報告日期止期間，董事會成員如下：

#### 於二零零一年六月二十二日委任的執行董事：

楊斌先生 — 董事會主席  
閻闖先生 — 董事會副主席  
李剛先生  
谷祝平教授  
黃漢森先生 (於二零零二年四月十日辭任)  
何美玲女士 (於二零零二年四月十日辭任)

以下董事乃於財政年度終結之後並於二零零二年四月十日獲委任為執行董事。

陳軍先生  
劉桂芬女士  
孫堅先生  
桑淑華女士  
趙永初先生  
林佩敏女士

#### 非執行董事：

姚奇男先生 (於二零零一年六月二十二日獲委任及於二零零二年四月十日辭任)  
黃漢森先生 (於二零零二年四月十日獲委任)

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### Independent Non-Executive Directors appointed on 22 June 2001:

Mr. Li Weibin  
Mr. Wang Xiaojun

In accordance with Bye-law 99 of the Company's Bye-laws, Mr. Yan Chuang and Mr. Li Gang will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election as directors. Pursuant to Bye-law 102(B) of the Company's Bye-Laws, the Newly Appointed Directors will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election as directors. Other the aforesaid, all other remaining directors continue in office.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive directors appointed on 22 June 2001 has entered into a service agreement with the Company for a period of three years effective from the commencement date unless terminated by either party giving not less than six months' prior written notice.

The non-executive director and the independent non-executive directors have been appointed for a term of three years commencing from 22 June 2001.

Save as disclosed above, no director has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2001, the interests of the directors and the Chief Executive of the Company in the equity or debt securities of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register required to be kept pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

#### Interests in the Company 於本公司的權益

Name of Director/ Chief Executive 董事／行政總裁名稱	Number of ordinary shares 持有之普通股數目				Number of share options 認股權權益
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益	
Mr. Yang Bin 楊斌先生	—	—	1,200,000,000 (Note) (註)	—	—

Note: Held through Wise Capital Investments Limited ("Wise Capital"), a company incorporated in Mauritius which is legally and wholly-owned by Mr. Yang Bin who is entitled to exercise 100% of the voting powers at general meetings of Wise Capital.

於二零零一年六月二十二日獲委任的獨立非執行董事

李偉斌律師  
王小軍律師

根據本公司公司細則第99條規定，閻闖先生及李剛先生於將召開的股東週年大會上將輪值告退。彼等願膺選連任。根據本公司公司細則第102(B)條規定，新任命董事將於即將召開的股東週年大會上告退。該等新任命董事願膺選連任。除上述事宜外，所有其他董事繼續留任。

### 董事之服務合約

於二零零一年六月二十二日任命的各執行董事均已於本公司訂立服務合約，自合約開始日計算每份合約為期三年，除非及直至任何一方給予另一方不少於六個月的提前書面通知。

非執行董事及獨立非執行董事於二零零一年六月二十二日獲委任，任期為三年。

除上述以外，各董事與本公司均無訂立限制本公司於一年內不作賠償(法規賠償除外)便不可終止之服務合約。

### 董事股本權益

於二零零一年十二月三十一日，本公司各董事及行政總裁於本公司或其任何聯營公司(定義見證券法例)之股本或債券權益，根據香港法例(公開權益)第29條或根據香港證券法例第28條知會本公司及香港聯合證券交易所有限公司，及根據上市公司董事證券交易規範規之情況如下：

註：透過Wise Capital Investments Limited ("Wise Capital") (一間在毛里裘斯註冊成立的有限公司，由楊斌先生合法地全資擁有)持有。楊先生有權行使 Wise Capital 股東大會的100%表決權。

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### DIRECTORS' INTERESTS IN SECURITIES (Cont'd)

Other than as disclosed above, none of the directors, the Chief Executive or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance as at 31 December 2001.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES IN THE COMPANY

At no time during the year was the Company or any of its holding companies, fellow subsidiaries or subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or their children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had a beneficial interest of 10 per cent or more in the issued share capital of the Company:

Name of Shareholder 股東名稱	Number of shares 股份數目	% 比例率
Wise Capital Investments Limited (Note) (註)	1,200,000,000	72.3%

Note: Wise Capital Investments Limited is a company incorporated in Mauritius with limited liability which is legally and wholly owned by Mr. Yang Bin.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Except for those contracts of significance disclosed in Note 16 to the financial statements, no other contract of significance subsisted during or at the end of the year.

### 董事擁有的證券權益(續)

除上述披露者外，於二零零一年十二月三十一日，各董事、行政總裁或其聯繫人並無於本公司或其任何聯營公司(定義見公開權益條例)的證券中擁有任何個人、家庭、公司或其他權益。

### 董事收購本公司股份的權益

於本年度內，本公司或其控股公司、同系附屬公司或附屬公司並不是任何安排的訂約方，致使本公司的任何董事可透過收購股份的方式購入本公司或任何其他法人團體的任何利益或債券，而董事、其等的配偶或十八歲以下的子女概無任何認購本公司證券的權利，亦無於本年內行使任何有關權利。

### 主要股東

於二零零一年十二月三十一日，根據證券(公開權益)條例第16(1)節的條文規定而存置的主要股東登記冊的記錄顯示，除上述披露某些董事的權益外，下述股東為實益擁有本公司已發行股本10%或以上的權益：

註：Wise Capital Investments Limited是一間在毛里裘斯註冊成立的有限公司，由楊斌先生合法地全資擁有。

### 董事的重大合約之權益

除於財務報表附註16披露的重大合約外，於年度內或本年底，本公司概無其他重大合約。

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### MANAGEMENT CONTRACT

No contracts concerning the management and administration of the Company were entered into or existed during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors is interested in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

### CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

On 21 December 2001, Shenyang Euro-Asia Agriculture Development Co., Ltd. ("SEAA"), a wholly owned subsidiary of the Company entered into a greenhouse acquisition agreement with Shenyang Euro-Asia Industrial Company Limited ("SEAI") in relation to the acquisition by SEAA of SEAI's entire interest, right and title in the greenhouse facilities for a consideration of RMB107,348,100 (the "Greenhouse Acquisition Agreement"). This transaction has been mentioned in the IPO Prospectus in July 2001.

On 21 December 2001, SEAA entered into a lease agreement with SEAI in relation to the lease by SEAA from SEAI of a piece of land owned by SEAI with an aggregate area of approximately 14.6 hectares situated at Bajiaji Village, Beiling Xiang, Yuhong District, Shenyang City, Liaoning Province, PRC for a term of 20 years commencing on the date on which the last of the conditions precedent under the lease agreement had been fulfilled, at an annual leasing fee of RMB125,000 per hectare (the "Lease Agreement"). This transaction has also been mentioned in the IPO Prospectus in July 2001.

In addition, on 21 December 2001, SEAA also entered into an office building acquisition agreement with SEAI in relation to the acquisition by SEAA of SEAI's entire interest, right and title in the office buildings for a consideration of RMB70,000,000 (the "Office Building Acquisition Agreement").

### 管理合約

本年度本公司並無訂立關於與本公司管理及行政有關的合約，亦無有關合約的存在。

### 董事於具競爭性業務的利益

本公司董事並無在任何與本集團直接或間接，或可能跟集團有競爭性的事務中擁有權益。

### 關聯交易及董事於合約之利益

於二零零一年十二月二十一日，瀋陽歐亞農業發展有限公司（「歐亞農業」），為本公司的全資附屬公司，與瀋陽歐亞實業有限公司（「歐亞實業」）簽訂溫室購入協議。據此，歐亞農業向歐亞實業收購其有關溫室設備的全部權益、權利及產權，代價為1.07億元人民幣（「溫室購入協議」）。是項交易在二零零一年七月公開招股時招股書已有披露。

於二零零一年十二月二十一日，歐亞農業與歐亞實業簽訂租賃協議。據此，歐亞農業向歐亞實業租賃其位於中國遼寧省瀋陽市于洪區北陵鄉八家子村總面積約14.6公頃的一幅土地。租期自該協議項下的所有條件符合之日起二十年，租金為每年每公頃125,000元人民幣（「租賃協議」）。是項交易在二零零一年七月公開招股時招股書已有披露。

此外，於二零零一年十二月三十一日，歐亞農業亦與歐亞實業簽訂了辦公大樓購入協議。據此，歐亞農業以7,000萬元人民幣的代價向歐亞實業購入歐亞實業在該辦公大樓的全部權益、權利及產權（「辦公大樓購入協議」）。

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### CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS (Cont'd)

The considerations payable under the Greenhouse Acquisition Agreement and the Office Building Acquisition Agreement were settled by SEAA's internal cash resources and banking facilities. The annual leasing fee payable under the Lease Agreement will also be settled by SEAA's internal resources. The Company has not utilized any of the proceeds from the initial public offering of the Company for the purposes of the Greenhouse Acquisition Agreement, the Lease Agreement and the Office Building Acquisition Agreement.

As SEAI is wholly owned by Euro Asia International Import en Export Trade Company B.V., which in turn is beneficially wholly owned by Mr. Yang Bin, the ultimate controlling shareholder and an executive director of the Company, SEAI is hence an associate of Mr. Yang Bin and a connected person of the Company for the purpose of the Listing Rules.

Under the Listing Rules, the Greenhouse Acquisition Agreement, Agreement the Lease Agreement and the Office Building Acquisition Agreement constituted discloseable and connected transactions of the Company and were subject to the approval by the independent shareholders at the special general meeting (the "SGM"). The relevant SGM was held on 9 February 2002 and approved the entering into of the above discloseable and connected transactions by the Company. Note that as Wise Capital, a company of which Mr. Yang is the sole shareholder, is the immediate holding company of the Company holding 72.3% equity interest, Wise Capital and its associates abstained from voting at the SGM for the approval of the above discloseable and connected transactions of the Company.

Independent non-executive directors confirmed that the connected transactions referred to in the prospectus of the Company dated 9 July 2001 ("Prospectus") have been entered in the manner as stipulated in paragraphs 1 and 2 of "Waivers from the Stock Exchange" under the section of "Connected Transactions" in the Prospectus.

### 關聯交易及董事於合約的利益 (續)

溫室購入協議和辦公大樓購入協議應付的代價將由歐亞農業內部現金及銀行信貸額度支付。租賃協議項下支付的年租金亦將由歐亞農業內部資源應付。本公司沒有將首次公開發售股份募集資金用於支付購入溫室、溫室租賃和購入辦公室協議。

歐亞實業為荷蘭歐亞國際貿易公司全資附屬公司，而後者為楊斌先生全資擁有。楊斌先生為本公司的最終控股股東及執行董事，故歐亞實業為楊斌先生聯繫人，根據上市規則也成為本公司之關聯人士。

根據上市規則，溫室購入協議、租賃協議及辦公大樓購入協議構成本公司須予披露及關連交易，須於股東特別大會（「股東特別大會」）經獨立股東批准。有關股東特別大會於二零零二年二月九日召開並通過批准本公司簽訂上述三項協議。須注意的是，以楊先生為唯一股東控股的Wise Capital擁有本公司72.3%之股份權益，為本公司的控股公司。Wise Capital及其聯繫人於特別股東大會上就此項決議放棄投票。

獨立非執行董事確認本公司於二零零一年七月九日發表的招股章程書（簡稱「招股書」）中提及的關聯交易已按招股書有關「關聯交易」的章節中提及的聯交所豁免規定中第一和第二段所規定的方式予以記載。

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### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2001 are set out in Note 26 to the financial statements.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the current year and the last three years are set out on page 87.

### RETIREMENT SCHEMES

Particulars of retirement schemes are set out in Note 24 to the financial statements.

### COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

### AUDIT COMMITTEE

The audit committee comprising of Mr. Li Weibin and Mr. Wang Xiaojun, the two independent non-executive directors of the Company, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited annual financial statements.

### 購回、售出或贖回本公司上市證券

於本年內，本公司及其任何附屬公司概無購回、售出或贖回任何本公司的上市證券。

### 銀行貸款及其他借貸

本公司及本集團於二零零一年十二月三十一日的銀行貸款及其他借貸詳情載於財務報表附註26。

### 財務概要

本集團本年度及過往三年的業績及資產負債概要載於第87頁。

### 退休計劃安排

有關退休計劃安排的詳情載於財務報表附註24。

### 遵守最佳應用守則

本公司於年內緊遵香港聯合交易所有限公司上市規則附錄14的最佳應用守則。

### 審核委員會

審核委員會成員包括本公司兩位獨立非執行董事李偉斌先生及王小軍先生，與管理層一同審閱本集團採用的會計準則及實務準則，並討論過審核、內部管理及財務報表，其中包括經審計年度財務報表的審閱等事宜。



# DIRECTORS' REPORT

## 董事會報告

### SUBSEQUENT EVENTS

Details of the significant subsequent events are set out in Note 27 to the financial statements.

### AUDITORS

Arthur Andersen & Co retires and, being eligible, offers themselves for reappointment. A resolution for the reappointment of Arthur Andersen & Co as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By the order of the board  
**Yang Bin**  
Chairman  
Hong Kong, 10 April 2002

### 結算日後事項

結算日後的重要事項詳情載於財務報表附註27。

### 核數師

安達信公司任滿退任，但願意應聘續任。關於續聘安達信公司為本公司核數師的決議案將於即將召開的股東週年大會上提呈。

承董事會命  
**楊斌**  
主席  
香港，二零零二年四月十日