



BUSINESS DEVELOPMENT STRATEGY

Based on the foundation of becoming profitable and maintaining a recovery growth in the first half of the year, the Company will continue to strengthen the Company's business development strategy of "further expanding and strengthening agricultural machinery and construction machinery; achieving further specialisation and enhancing professional practices for factories specialised in production of spare parts; integrating and reorganising the businesses of subsidiary companies and enhancing return on investments; actively searching for international co-operation and introducing overseas advanced products, technology, management and experience; and speeding up the adjustment on assets structure, enhancing the resources allocation and adopting various methods to maximise the operating efficiency of assets" in order to ensure overall growth in the Company's businesses and achieve the operating targets for 2003.