

Dear Shareholders:

The Group has recorded further loss in the year ended 31 December 2004 due to the lack of financial resources of the Group to support the operation of its principal subsidiary, 河北壩上林木種苗有限公司 (Hebei Bashang Nursery Company Limited) ("Hebei Bashang"). In spite of the difficulties, Hebei Bashang continues to carry on its operation, which is the major source of revenue of the Group after the discontinuation of the business of manufacturing and selling of shrimp feed products in the second half of 2003.

The year of 2005 has been a year of change for the Company. The board of directors (the "Board") of the Company has undergone substantial changes and a majority of members of the current board were appointed as directors of the Company at the special general meeting held on 31 October 2005. Trading in the shares of the Company has been suspended since 29 April 2005. The Group also faced a number of proceedings, statutory demands and winding-up petition. The current Board has been in discussion with the creditors concerned and endeavour to reach a settlement with such creditors. At the same time, the Board is undertaking a review of the business and affairs of the Group with a view to prepare a resumption proposal for submission to the Stock Exchange.

Looking ahead, the Board will face a number of challenges in its endeavours to settle the respective claims and to seek a resumption of the trading of the shares. Members of the Board are prepared to take up the challenges and strive to seek a resumption of the trading of the shares of the Company so as to preserve the value of the investment of the shareholders in the Company.

Jiang Guoan

Chairman

30 December 2005