

Future Prospects

The recent strengthening of the Euro, the improvements in the prices of processed whitefish, in particular Alaskan pollock fillets, and the stabilization of interest rates should provide a more favorable business environment for the Group.

In order to expand fish processing capacities to meet the growing customer demand of value-added products, in October the Group entered a long-term lease agreement with a PRC enterprise to operate its processing factory. This processing factory with an 8,000 metric tons cold storage facility is capable of processing 500 metric tons of value-added frozen seafood products a month. The management believes that the new plant, which will be operated in February 2001, will not only enhance its fish processing capacity but also provide additional cold storage facilities for the Group. The new plant will improve efficiencies and provide extra saving on storage and transportation costs.

The sale of the vegetable business to its Singapore listed company, Pacific Andes (Holdings) Limited (“PAH”) is expected to be completed in January 2001. The Directors believe that the transfer of the vegetable business to PAH will allow the Group to have greater flexibility in utilizing the financial resources of the Group for the development and expansion of the vegetable business.

Looking ahead, the Group will continue to its profitability by focusing on more valued added products which also expanding its customer base to provide better customer services improving efficiencies, and better returns to shareholders.