

CHAIRMAN'S STATEMENT



Dear all shareholders:

I am pleased to represent the board of directors (the “**Board**”) of the Company to announce its financial results following the listing (the “**Listing**”) of its shares on the Main Board on 12 October 2004. We are all glad that the Listing received good response, which reflected the strong support from the institutional and individual investors in different countries. During the financial year, the Group’s business recorded encouraging growth, with turnover reaching approximately HK\$4,569.0 million. Profit attributable to the shareholders for the financial year was approximately HK\$103.3 million, meeting the profit forecast stated in the prospectus of the Company issued on 28 September 2004 (the “**Prospectus**”).

During the year 2004, the edible oil industry in China faced an exceptionally uncertain business environment, caused by the increase in cost of raw materials, the bird flu and China government’s austerity measures. Despite all these, we still recorded a remarkable profit, through reducing procurement and production volume, activating our comprehensive risk management system and implementing hedging mechanism, to keep our average gross profit per tonne of not less than the target level of HK\$ 200. In addition, although the business environment was not entirely favourable, as personal income grows amongst Chinese and that people become more health conscious, the consumption of soyabean oil and palm oil products continued to increase at a faster pace than other edible oil products. In light of this development, we achieved satisfactory results in the financial year.



CHAIRMAN'S STATEMENT

We fulfilled our first development goal after the Listing on the Main Board. Our new edible oil production plant in Dongguan commenced the commercial operation in October 2004, increasing our total annual production capacity of refined oil products to approximately 1.4 million tonnes. The commencement of the commercial operation of our Dongguan plant paves the foundation of our business in the future.



On the corporate level, the year 2004 was important to us. The Company successfully completed the initial public offering and the Listing on the Main Board raising approximately HK\$273.6 million, which represented an important milestone in our business development.

Armed with our knowledgeable and professional management team and solid business platform, we will implement business strategies to increase our market share in the edible oil industry in China; increase our cost efficiency and further vertically integrate our production activities. At the same time, we will work towards to assume leading position in the promising edible oil market in China, and aim to become one of the most established soyabean oil and palm oil producers in China.

Finally, I want to thank to our customers, colleagues, shareholders and investors for their support in the last year.

LIM Wa
Chairman

7 April 2005