

USE OF LISTING AND PLACEMENT PROCEEDS

For the six months ended 31st December, 2001, the Group had applied part of the listing and placement proceeds respectively as follows:

- I. Application of funds from listing in December 2000:
 - a. Approximately RMB66,874,000 (equivalent to HK\$63,053,000) for the establishment of new production bases;
 - b. Approximately RMB93,919,000 (equivalent to HK\$88,553,000) for the establishment of basic facilities for new production bases, such as greenhouse facilities, irrigation systems and the setting up of food processing factories;
 - c. Approximately RMB4,000,000 (equivalent to HK\$3,771,000) for the funding of marketing and promotional activities in connection with the China domestic and export sales; and
 - d. Approximately RMB1,296,000 (equivalent to HK\$1,222,000) for the funding of the expansion of the Boer goats breeding business;
- II. Application of funds from top-up placement in November, 2001:
 - a. Approximately RMB7,350,000 (equivalent to HK\$6,930,000) for the investment in Newasia Global Limited;
 - b. Approximately RMB60,578,000 (equivalent to HK\$57,117,000) for the construction of irrigation systems and infrastructure facilities in Nanjing and Beijing production bases;
 - c. Approximately RMB7,000,000 (equivalent to HK\$6,600,000) for the setting up of retail green stand to sell organic green vegetables and fruits in Shanghai to expand sales network.

The net proceeds which have not yet been utilized will be used for the intended applications as set out in the Company's prospectus dated 5th December, 2000 and the Company's announcement issued on 7th November, 2001 relating to the placing of existing shares and subscription for new shares.