

Review of Operations

General

Founded in 1994, the Company and its subsidiaries (collectively the “Group”) is one of the leading producers of fresh and frozen meat and processed meat products in the PRC. The Group currently operates nine production bases, respectively in Linyi and Dezhou of Shandong Province, Meishan of Sichuan Province, Xiangtan of Hunan Province, Tongliao of Inner Mongolia Autonomous Region, Daqing, Qiqihaer and Xinglong of Heilongjiang Province and Shangqiu of Henan Province.

The Group has announced in June 2005 the construction of a new production plant in Jiutai, Jinlin Province. This plant will have an annual pig slaughtering capacity of approximately 250,000 tonnes, chicken slaughtering capacity of approximately 90,000 tonnes, High Temperature Meat Products of approximately 30,000 tonnes, Low Temperature Meat Products of approximately 30,000 tonnes and Fresh Pork production capacity of approximately 100,000 tonnes per annum. Management expects the construction to be completed by the end of 2005.

The Group’s meat products are distributed primarily in the PRC and marketed under the “Jinluo” brand name and trademark.

Prospects

For FY2005, Management will continue its focus on sales and marketing efforts, purchase integration and the expansion of production scale and markets. The Group will continue to expand geographically in the PRC and to develop higher value products in order to maintain its margins.

At the same time, Management will closely monitor over livestock related diseases and observe strict quality control and quarantine procedures at all its plants. The Group is not affected by the pig-borne disease that has been linked to the Streptococcus Suis bacteria, which has surfaced in the PRC’s southwestern Sichuan Province. Currently, Management has taken the necessary precautionary measures at its Meishan plant in Sichuan.

Ming Kam Sing

Chairman

4 August 2005