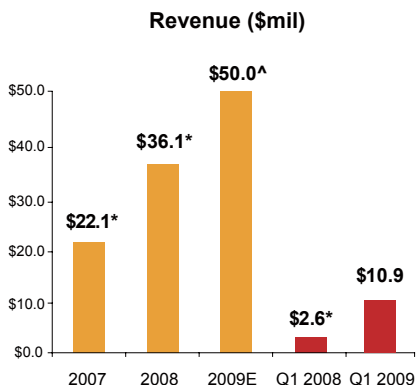


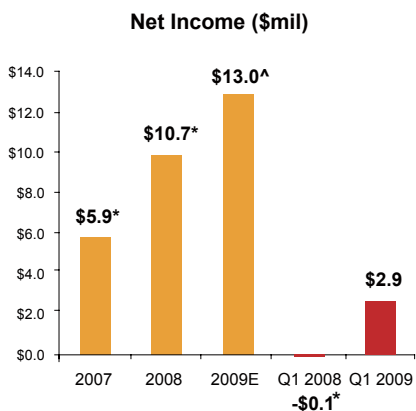
<b>OTC BB:</b>	<b>YUHL.OB</b>
Price (as of 5/08/2009):	\$3.00
Market Capitalization:	\$47.1M
Common Shares Outstanding :	15.7 M
2008 revenues*:	\$36.1 M
2008 net income*:	\$10.7 M
Projected 2009 revenues^:	\$50.0 M
Projected 2009 net income^:	\$13.0 M
Projected 2009 EPS:	\$0.83
Projected 2009 PE multiple:	3.6x

\*Pro forma  
^ Estimated by management

# YUHE INTERNATIONAL, INC.



\* Pro forma  
^ exceeds make good provision of \$41.0 million



\* Pro forma  
^ Meets 2009 make good provision of \$12.3 million

**Company Description** - Founded in 1996, Yuhe International Inc. ("Yuhe") is the second largest day-old broiler breeder in China. Broilers are chickens which are raised for meat consumption. Yuhe hatches and sells broilers to farms when they are one day old. With headquarters in Weifang, Shandong province, the Company has modern, ISO9001 certified facilities and is led by an experienced team which includes experts in chicken breeding, disease prevention and animal husbandry science. Yuhe currently has thirteen breeder farms with a capacity over 1 million breeders. In 2009 the Company plans to construct two breeder farms and a new hatchery.

## INVESTMENT HIGHLIGHTS

**Second largest day old broiler supplier in china** - With over 10 years of experience in the broiler industry, Yuhe is the second largest broiler supplier in China's highly fragmented market. The Company currently operates thirteen separate chicken breeding farms and two hatcheries with an aggressive plan to expand capacity in 2008 and 2009.

**Rapidly growing industry** - China is currently the second largest consumer of broiler meat in the world behind the United States. From 2007 to 2008 alone, China's aggregate demand for chicken is expected to increase 5% to 11.9 million metric tons. At these rates, however, per capita chicken consumption is only roughly 33% of developed markets. Due to China's vast population and increasing wealth, the demand for meat, including chicken, will likely continue to increase well into the future.

**Advanced facilities with state of the art equipment** - Yuhe's collection of high tech equipment and modern facilities is unrivaled in the domestic broiler breeding market. The Company utilizes advanced imported equipment such as Big Dutchman plate-feeding systems and lubing nipple drinking systems from Germany, a centralized temperature control system from the U.S and an intelligent alley incubation system from Japan. Compared to the average industry equipment lifespan, Yuhe's equipment is designed to last 10 to 12 years while most competitors will have to replace equipment every five to six years.

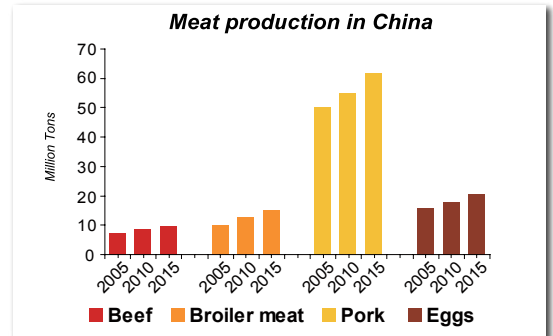
**High quality production methods with superior results** - Yuhe has established solid relationships with its local supplier agents within China to select and purchase high quality parent breeders from overseas. These parent breeders are kept for a year and a half and lay eggs starting in their 26th week. On average, one hen can yield about 163 eggs per 40 week period with a hatch rate ranging between 95% and 97%. Chicken feed is supplied exclusively from internal sources, guaranteeing a steady and safe supply. This attention to quality has allowed the Company to achieve a 98% guaranteed survivability rate for its day old broilers.

**Efficient production and healthy margins** - Yuhe enjoys a high conversion ratio of approximately 1.76 kg of feed to produce 1 kg of meat, higher than any competitors in the industry. In addition Yuhe's broiler development period of 45 days is shorter than the industry average of 48 days, creating significant cost savings. At the same time, Yuhe's birds enjoy a pricing premium of 10% to 15% due to their consistently high quality. The combination of these factors has led to a steady increase in gross profit and margin.

# CHINA'S THRIVING POULTRY INDUSTRY

## China: One of the world's largest broiler producers and consumers

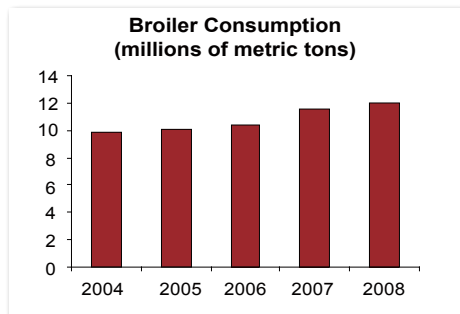
According to the USDA, China's consumption of broiler meat increased to 12.0 million metric tons in 2008, a 5% increase from 11.4 million tons in 2007. This significant increase is fueled by the overall growth of the Chinese economy and corresponding growth in disposal income. Accelerating this trend is an increase in the price of pork, traditionally China's main source of protein, which has resulted in higher demand for chicken as consumers seek alternative meat products. Furthermore, according to Rabobank, by 2015, the production of broiler meat will reach 15 million tons.



China is currently a net importer of broiler meat. What's more, while China is the second largest poultry consumer in the world behind the United States, per capita consumption is only about one third of the level of developed countries. These factors indicate that China will see a sustained increase in the demand for broiler meat well into the future.

## Strong chicken prices

Outbreaks of avian flu in 2005 and 2006 had significant impact on both the supply and demand of poultry in China, however, demand has since rebounded to exceed previous levels. While the threat of transmission between humans and birds has been documented from exposure to live birds, it has been shown that there is virtually no chance of contracting bird flu from properly cooked poultry. More recently, deteriorating economic conditions in China have actually forced some smaller broiler producers to exit the market. This has lowered broiler supply without a corresponding fall in demand. As a result, broiler prices for the first half of 2009 are expected to remain elevated while returning to normal by the second half of the year.



## Favorable government policies

In order to encourage the expansion of the poultry industry after the temporary downturn caused by avian flu outbreaks, the Chinese government has currently eliminated industry taxes. These favorable tax policies have been particularly beneficial for day old broiler producers, who have experienced a sustained demand to warrant rapid expansion.

## Highly fragmented market

The market for day-old broilers in China is highly fragmented with Shandong Province leading the nation with the highest number of day-old broiler suppliers in China. Since day-old broilers are vulnerable and need to be transported in closely controlled temperature conditions, they are mainly sold and distributed locally or in adjacent provinces. Yuhe's major competitors include Shandong Minhe, the biggest player in the industry and Jilin Deda which is situated in Northeastern Jilin province and has a lower annual broiler production volume than Yuhe.

## CORPORATE OVERVIEW

Founded in 1996, Yuhe is the second largest day-old broiler breeder in China. The Company was listed through a share exchange agreement between Bright Stand International limited, the parent company of Weifang Yuhe Poultry Co. and First Growth Investors, Inc. on March 12, 2008. Subsequent to



this, First Growth Investors, Inc. was renamed Yuhe International Inc. The Company's main operations involve breeding, as all broilers are sold within a day of hatching. With headquarters in Weifang, Shandong province, the Company has two operational subsidiaries, Weifang Yuhe Poultry Co. Ltd. and Weifang Taihong Feed Co. Ltd., the latter of which largely supplies the Company's internal demand for chicken feed. Currently, over 85% of the Company's sales are in Shandong province with a customer base of 27 local agents. The Company has imported state of the art equipment from the United States, Germany and Japan and has passed ISO9001 certification, allowing it to adhere to international standards of operation.

### Extensive high-tech facilities

Yuhe currently has thirteen separate breeding farm sites that are separated approximately five miles from each other. All breeding facilities have controlled and filtered air and water supplies to eliminate contact with outside animals and feature advanced imported equipment such as Big Dutchman plate-feeding systems and lubing nipple drinking systems from Germany, a centralized temperature control system from the U.S and an intelligent alley incubation system from Japan. The Company also maintains tight control over temperature and humidity conditions, ensuring optimal hatching conditions and increasing yields by up to three percent.



Yuhe's subsidiary, Weifang Taihong Feed Co. Ltd. is primarily engaged in feed production. This company's products are exclusively used to supply Yuhe's breeder stock, ensuring steady supplies and quality control.

### Stringent disease prevention measures

Yuhe's safety and sanitation standards begin with the selection of parent breeders, who are sourced only from suppliers that can provide a vaccination certificate and a breeder production certificate. New breeding stock is housed in hygienic conditions as Yuhe incorporates sophisticated cleaning processes which include 90-day multiple step facility refurbishments at the end of each breeding stock cycle every 66 weeks.

In addition, Yuhe surpasses government minimum vaccine requirements to ensure that all chickens and day old broilers are healthy, nutritious and comply with international standards. Yuhe utilizes an Inovoject system, which injects vaccines into eggs, provided by Embrex, Inc., a wholly owned subsidiary of Pfizer. Currently, there are only two producers in China utilizing this technology including Yuhe. As a result, the Company is able to offer customers an impressive survivability rate for its day old breeders of 98%.

### High quality sourcing and efficient production

Yuhe purchases parent breeding chickens from licensed grandparent breeder farms in Beijing, Shandong province and Jiangsu province, keeping them for a useable life of roughly one and a half years. Under normal circumstances, female parent breeder chickens begin laying eggs in their 26th week and are no longer commercially productive after the 66th week. Eggs are normally incubated for three weeks and hatchlings are sorted and picked up by customers one day after hatching.

Yuhe's high tech facilities and attention to safety and hygiene have enabled the company to surpass other day old broiler suppliers in production efficiency. While the industry average production time for day old broilers is 48 days, Yuhe has reduced this to 45 days. In addition, the company's grain input to meat output ratio of 1.8 of feed per pound of meat is unrivaled by competitors.



### Smooth path to market

Yuhe has a lean sales force and its main customers are regional distributors; out of 37 total distributors 27 are based in Yuhe's home province of Shandong. Because transportation and marketing expenses are primarily borne by distributors, increased sales for the Company will not result in a proportional increase in selling costs. Yuhe day-old broilers are primarily sold to smaller broiler farms, which average about 5,000 birds, where they are raised to maturity for meat.

### Strong brand equity

Yuhe was named a Shandong Provincial Renowned Brand, recognizing the Company's brand equity and excellence within its industry. It is the sole day old broiler producer in China to have received this honor. As this designation

is nationally recognized, it will serve to promote development not just in established markets like Shandong Province, but in new markets as well.

### Fragmented market with growth opportunities

There are approximately eight major broiler suppliers and many other smaller suppliers in China with no discernable market leaders. As a heavily agricultural province, Shandong is one of the largest producers of broilers in China. Due to the difficulties with transporting live animals, Yuhe's customers are primarily located in Shandong, accounting for 85% of the Company's sales, as well as neighboring Heilongjiang, Jilin and Liaoning provinces.

Among Yuhe's competitors, Shandong Minhe, the number one day old supplier in China, is slightly larger than Yuhe in terms of annual day old broiler production volume. However, Minhe's day old broilers are mainly for internal supply as the company sells processed meat products. With 2% of current market share, Yuhe expects to continue its rapid pace of growth to become the number one supplier by volume by the end of 2008.

## STRATEGY FOR GROWTH

### Increase sales on existing markets

As the demand for day old broilers continues to increase with current demand outstripping supply, Yuhe expects to increase sales within its existing customer base. In fiscal year 2009 Yuhe has forecasted sales of \$50 million, up from \$36.1 million in pro forma revenue in 2008.

### Expand facilities

In 2009, Yuhe plans to construct two new breeder farms with the anticipated capacity of 100,000 sets of new breeders each. These two new breeder farms will add an annual output of 20 million day old broilers and is expected to generate revenue of RMB 60 million, or \$8.8 million, per 69 week production cycle. The new breeder farms are expected to be completed by the end of 2009.

In addition, on June 10, 2008, Yuhe entered an agreement with Shandong Meiweite Food Ltd. to purchase land use rights to an area covering 26,666 square meters for a total of RMB 10 million (\$1.5 million). Yuhe will manage and utilize the land to build a new hatchery, bringing the total number of hatcheries to three by the end of 2009.

#### **Focus on high quality day old broilers**

Throughout its planned expansion, Yuhe intends to maintain rigorous quality control measures while increasing output. This includes continuing to use the highest quality imported equipment and stringent quarantine and vaccination requirements for all birds. In this way, Yuhe expects to maintain a price premium over competitors of 10% to 15% and continue building brand equity.

#### **Integrate into downstream business**

Aside from consolidating and increasing market share in the day old broiler market, Yuhe is looking into the possibility of expanding its business activities into new market segments. More specifically, Yuhe aims to leverage its experience in the poultry raising industry to move into downstream operation activities such as meat processing.

## **PROVEN MANAGEMENT TEAM**

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#### **Mr. Zhentao Gao, chief executive officer**

Mr. Gao has over 17 years of experience in the chicken breeding industry. He started Weifang Yuhe Poultry Co. Ltd. in 1996 with a capacity of roughly 3,000 parent breeders. Mr. Gao's strong leadership and entrepreneurship have played a vital role in enabling the Company's to achieve a 30% to 40% average growth rate. Gao holds a bachelor degree from Beijing Humanities College.

#### **Mr. Gang Hu, chief financial officer**

Mr. Hu joined Yuhe International Inc. in June 2008 as CFO. Prior to joining Yuhe, Mr. Hu served as the chief financial officer of Sino-Gas International Holding Inc. from October 2007 to March 2008. Prior to that, he was the finance director of FedEx Kinko's Greater China operations from August 2004 to October 2007. He obtained his Bachelor degree in economics from Shanghai University of Finance and Economics.

#### **Mr. Wengui Ding, chief technology officer**

Mr. Ding joined Yuhe as the Company's chief technology officer in July 2005. Prior to joining Yuhe, Ding served as site manager for over 10 years at Qingdao Zhengda, a poultry company. He is an expert in animal husbandry science and the leader of system development and control programs for the Company. Ding is a graduate of Heilongjiang Agriculture University

#### **Mr. Jinhua Zhang, board secretary**

Mr. Zhang serves as the board secretary in Yuhe. He is also the manager for the Company's planning department. Prior to joining Yuhe, Zhang worked for American Lorain Corp. for several years, playing a pivotal role in the company's public listing process. Mr. Zhang joined Yuhe International Inc. In 2007 and is a graduate of Shandong Light Industry College with a degree in business management.


## SELECTED FINANCIAL DATA

	For the three months ended March 31,		For the year ended December 31,	
	2009	2008	2008	2007
	(As reported)	(Pro forma)	(Pro forma)	(Pro forma)
Sales revenue	\$ 10,914,390	\$ 2,594,880	\$ 36,117,611	\$ 22,075,224
Costs of goods sold	6,852,353	2,212,145	22,910,160	13,502,545
Gross profit (loss)	4,062,037	382,735	13,207,451	8,572,679
Selling expenses	92,940	77,537	454,457	312,927
General and administrative expenses	743,990	383,664	2,661,285	1,112,758
Operating (loss) income	3,225,107	(78,466)	10,091,709	7,146,994
Other income	15,509	11,504	80,814	(106,246)
Net income (loss)	2,914,820	(130,947)	10,666,419	5,885,060
Earnings per share				
Diluted	0.19	(0.01)	0.74	0.68

	March 31, 2009	December 31, 2008	December 31, 2007
Total Current Assets	\$ 29,690,517	\$ 24,530,577	\$ 1,050,168
Total Assets	66,227,595	61,519,302	2,050,168
Total Current Liabilities	10,974,383	10,487,094	2,280
Total Liabilities	21,462,872	19,897,383	2,280
Shareholders Equity	44,764,723	41,621,919	2,047,888

The pro forma financial information above was prepared based on the unaudited financial results for the Company's Weifang and Taihong subsidiaries for the three months ended March 31, 2008. The pro forma financial information has been prepared based upon available information and assumptions that the Company believes are reasonable. However, the pro forma financial information is presented for illustrative and informational purposes only and does not purport to represent the Company's actual results during the corresponding reporting periods nor is it necessarily indicative of the Company's future performance. Please refer to the Company's quarterly results filed on Form 10Q on May 15, 2009 for additional information on pro forma operations.



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### Business Risks and Forward-Looking Statements

Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in market condition, the Company's ability to maintain customer relationships, technological advancements, growth in targeted markets and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Readers are advised that this information is intended for the use of investment professionals. Anyone interested in obtaining information on the Company should contact Yuhe International, Inc. (YUHI) or CCG, as set forth above, to receive the Company's most recent financial reports. This Financial Profile was developed by the Company and is intended solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy the Company's stock. This Profile is based upon information available to the public, as well as other information from sources which management believes to be reliable, but is not guaranteed by YUHI as being accurate nor does it purport to be complete. Opinions expressed herein are those of management as of the date of publication and are subject to change without notice.