

**ORIENT VENTURE CAPITAL INC.**

**Management's Discussion and Analysis  
For the Year Ended March 31, 2011  
(Expressed in Canadian Dollars)**

**Date of Report: July 11, 2011**

The following Management discussion and analysis ("MD&A") should be read in conjunction with audited financial statements of Orient Venture Capital Inc. (the "Company") for the year ended March 31, 2011 and 2010, and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are stated in Canadian dollars unless otherwise indicated.

**Forward-Looking Information**

*Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.*

**Description of Business**

The Company was incorporated on February 27, 2007 under the *Business Corporations Act* (British Columbia) and is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company's principal purpose is to identify and evaluate business and assets with a view to completing a "Qualifying Transaction" (as defined in Policy 2.4) ("QT") within twenty four months from the date of listing of the Company's shares on the Exchange. The Company completed its initial public offering ("IPO") on September 5, 2007, and its shares were listed and commenced trading on the Exchange on September 7, 2007, under the symbol "OVC.P".

Due to the Company not entering into a qualifying transaction within the 24 months period, on June 28, 2010 the Company was delisted from the Exchange. With approval of current shareholders the Company cancelled 1,000,000 escrowed seed shares purchased by Non-Arms-Length parties to the Company at a discount to the IPO price. The Company's shares moved to the NEX and were halted from trading.

The Company has not conducted commercial operations other than activities toward completing a QT.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The Company has not commenced operations and thereof, no segmented information is available.

## Results of Operations

As the Company is a CPC, revenues are limited to interest earned on cash held with a financial institution. All expenses incurred relate to its incorporation, listing on the Exchange as a Capital Pool Corporation and pursuit of a Qualifying Transaction.

Other than completing its initial public offering and seeking a suitable Qualifying Transaction as described above, the Company had no operations during the year ended March 31, 2011.

## Selected Annual Information

The following table shows the financial results derived from the Company's financial statements for the years ended March 31, 2010, 2009 and 2008

|                                   | For the Year Ended March 31, |              |              |
|-----------------------------------|------------------------------|--------------|--------------|
|                                   | 2011                         | 2010         | 2009         |
| Total Revenues                    | \$ -                         | \$ -         | \$ -         |
| Net Loss                          | \$ (66,567)                  | \$ (259,585) | \$ (315,882) |
| Basic and diluted loss per share  | \$ (0.02)                    | \$ (0.05)    | \$ (0.06)    |
| Total Assets                      | \$ 43,931                    | \$ 36,720    | \$ 97,481    |
| Total Long Term Liabilities       | \$ -                         | \$ -         | \$ -         |
| Cash dividends declared per share | -                            | -            | -            |

## Summary of Unaudited Quarterly Result

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian GAAP.

|   | March 31,<br>2011 | December 31,<br>2010 | September 30,<br>2010 | June 30,<br>2010 | March 30,<br>2010 | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 |
|---|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| Revenue                                 | \$ Nil            | \$ Nil               | \$ Nil                | \$ Nil           | \$ Nil            | \$ Nil               | \$ Nil                | \$ Nil           |
| Net Profit (Loss)                       | \$ (20,846)       | \$ (13,772)          | \$ (30,969)           | \$ (980)         | \$ (133,190)      | \$ (14,994)          | \$ 10,813             | \$ (122,215)     |
| Basic and diluted loss per common share | (0.01)            | (0.00)               | (0.01)                | (0.00)           | 0.03              | (0.00)               | (0.00)                | (0.01)           |

Variances in net loss by quarter in 2011 reflect overall corporate activity and factors which do not recur each quarter, such as interest expenses on fluctuating cash balances and the decreased professional fees that were related to identifying a Qualifying Transaction for the Company last year..

For the quarter ended March 31, 2011, the Company's main focus was to identify and evaluate businesses and assets with a view to completing a QT before the extended delisting deadline of June 27, 2010. But the Company did not enter into any proposed transactions and was delisted from the TSX-V on June 28, 2010. With approval of current

shareholders the Company cancelled 1,000,000 escrowed seed shares purchased by Non-Arms-Length parties to the Company at a discount to the IPO price. The Company's shares moved to the NEX and were halted from trading.

On January 28, 2011, the Company entered into a letter of intent with Hong Kong Moon Ring Limited ("HK Moon Ring") and Shandong Longtai Fruits and Vegetables co., Ltd. ("Shandong Longtai"), whereby the Company will acquire 100% shares of HK Moon Ring. HK Moon Ring holds a 63.88% equity interest in Shandong Longtai. As part of the terms of this letter of intent, HK Moon Ring paid a non-refundable deposit in the amount of \$60,000 to the Company. This amount was deposited into the Company's legal trust account to cover certain costs associated with the qualifying transaction. On June 17, 2011, the Company terminated the letter of intent with HK Moon Ring and Shandong Longtai.

### **Capital Resources and Liquidity**

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity, promissory notes and short-term loans from related parties.

As at March 31, 2011, the Company had a negative net working capital of \$357,287 with \$42,531 in cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new debt or shares or adjust the amount of cash.

On February 15, 2011, the Company received a non refundable retainer of \$59,470 from a private company to pay off all qualified transaction related expenses according to agreement. The fund was deposited in the company's trust account.

Currently, the Company is relying solely on short-term loan and advances from its officers and shareholders to continue its operation. There is no assurance that the Company will be able to obtain sufficient financing to meet future operation.

### **Off-Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements requiring disclosure.

### **Related Party Transactions**

The office administration fee of \$4,800 and \$6,132 due to a company controlled by a director of the Company were recorded for the year ended March 31, 2011.

On March 31, 2011, a total of \$95,000 was advanced to the Company from a related company and an officer of the Company. This amount is unsecured, bears interest at 8%

per annum and matures at the earlier of: 1) 24 months from the date of the loan agreement; and 2) the time of closing of an equity financing during the term of the loan agreement where the Company issues shares of its common stock for cash consideration.

The Company may prepay at any time all or any portion of the unpaid principal of the loans, without penalty, applying first to interest and then to principal. For the year ended March 31, 2011, the Company has accrued \$11,346 of interest expense on these loans.

These transactions with related parties are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

### **Accounting Policies & Critical Accounting Estimates**

The preparation of financial statement in conformity with Canadian generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates and assumptions are used in determining the application of the going concern concept, assumptions used to determine the fair value of stock-based compensation and the determination of future income taxes. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the policies for going concern, stock based compensation, and future income taxes are critical accounting policies, which involve significant judgments and estimates used in the preparation of the Company's financial statements.

The Company uses the Black-Scholes option pricing method to determine the fair value of stock-based compensation recognized. Estimates and assumptions are required under the model, including those related to the Company's stock volatility, expected life of options granted, and the risk free interest rate. The Company believes that its estimates used in arriving at stock-based compensation are reasonable under the circumstances.

### **NEW ACCOUNTING PRONOUNCEMENTS**

#### *International financial reporting standards ("IFRS")*

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual

financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial position and results of operations.

## **IFRS CHANGEOVER PLAN**

In December 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011. The Company will be required to report its results accordance with IFRS beginning in 2011. The Company is going to consult external advisors to assist in the development and execution of a changeover plan to complete the transition to IFRS by April 1, 2011, including the preparation of required comparative information.

The key elements of the Company's changeover plan will include:

- Determine appropriate changes to accounting policies and required amendments to financial disclosures;
- Identify and implement changes in associated processes, and accounting, and information system;
- Comply with internal control requirements;
- Communicate collateral impacts to internal business groups; and
- Educate and train internal and external stakeholders.

## **Financial Statement Presentation and Disclosure**

One of the most significant impacts identified to date of adopting IFRS is the expanded presentation and disclosure requirements. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references.

The Company is now in the IFRS transition phase which includes the quantification of the IFRS differences, completion of the final IFRS compliant accounting policies, quantification of the IFRS opening balance sheet as at March 31, 2011 and preparation of the comparative interim financial statements.

Management, members of the board of directors and audit committee have the required financial reporting expertise to ensure the adequate organization and transition to IFRS.

## **Financial Instruments and Other Instruments**

During the period ended March 31, 2011, the Company's financial instruments consist of cash and cash equivalents, accounts payable, and short-term loans from related and non related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

## Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

|                       | Common Shares |           |
|-----------------------|---------------|-----------|
|                       | Outstanding   | Amount    |
| Seed shares           | 2,000,000     | \$100,000 |
| IPO shares            | 3,000,000     | 300,000   |
| Private placements    | -             | -         |
| Share issuance costs  | -             | (74,922)  |
| Warrants exercised    | 260,790       | 60,393    |
| Seed shares cancelled | (1,000,000)   | -         |
| Total                 | 4,260,790     | \$385,471 |

After cancellation of 1,000,000 escrowed seed share on June 29, 2010, 1,000,000 shares are subject to escrow agreement and will be released from escrow in stages upon completion of the Company's QT and every six months thereafter. In addition, 40,000 shares issued through the IPO are also held in escrow.

The Company did not issue any options for the year. As at March 31, 2011, the Company has 420,000 options outstanding and exercisable at an exercise price of \$0.10 with an expiry date of September 4, 2012. As of March 31, 2011, there are no outstanding warrants.

## Risk and Uncertainties

Financial risks include commodity prices, interest rates the Canadian/US dollar exchange rate, all of which are beyond the Company's control.

Due to the Company not entering into a qualifying transaction within the 24 month period, the shares in the Company were moved to the NEX and were halted from trading. The Company's principal purpose is still to identify and evaluate business and assets with a view to completing a "Qualifying Transaction". Any Qualifying Transaction will be subject to the Exchange acceptance and may be subject to shareholders' approval.

The Company does not believe it is subject to any significant credit risk although cash is held with a major financial institution.

## Disclosure Controls and Procedures

The Company's Chief Financial Officer and Chief Executive Officer (the "Certifying Officers" are responsible for establishing and maintaining disclosure controls and procedures ("the procedures") which provide reasonable assurance that information required to be disclosed by the Company under provincial securities legislation (the "Required Filings") is reported within the time periods specified. Without limitation, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Certifying Officers evaluate the effectiveness of the Company's Procedures on a regular basis throughout the year and have concluded that the Procedures in place as of the end of the period covered by the Required Filings are effective in providing reasonable assurance

that material information relating to the Company is accumulated and communicated to management and reported within the time periods specified.

There were no changes to the Company's internal control or in other factors that could materially affect these controls during the year ended March 31, 2011, including any significant deficiencies or material weakness of internal controls that would require corrective action.

### **Approval**

The Board of Directors of Orient Venture Capital Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information, on the SEDAR website at [www.sedar.com](http://www.sedar.com).