

## **Press Release**

### **GINGER BEEF CORPORATION Reports Second Quarter Activities and Developments**

**August 29, 2005 – Calgary, Alberta**

Ginger Beef Corporation (the “Corporation”) (TSX Venture – “GB”) is pleased to report to you the activities of the Company for the second quarter ending June 30, 2005.

#### **Financial Highlights**

- The Corporation generated revenues of \$1,818,153 for this quarter compared to \$1,239,018 for the same period in 2004 for an increase of 47%. In comparison to the second quarter of 2003 in which wholesale revenues were \$1,005,671, sales increased 81% over this two year period.
- Gross margins were \$355,118 or 20% for this quarter rebounding from the \$200,827 or 16% for the same period in 2004.
- Earnings before income tax increased to \$91,889 for this quarter compared to a loss of \$64,462 in the second quarter of 2004. Net earnings for the period were \$48,889 compared to a net loss of \$64,462 for the same period in 2004.
- Basic and fully diluted earnings per share for the period was \$0.003 per share.

#### **Second Quarter Activities and Development**

The Corporation had another successful quarter as it continues to build its business across Canada. Revenues grew 47% over the same period in 2004. This revenue growth is mainly attributed to new business developments captured during the past year along with the continued expansion into Eastern Canada. With more business opportunities still available, the company expects to continue growing organically quarter over quarter for the remainder of 2005.

Despite higher raw material and fuel costs affecting the food industry during the past year, the company improved its gross margins to 20% for this quarter compared to 16% in the second quarter of 2004 through better production efficiencies and purchasing power. Management also worked diligently to control expenses in light of 47% higher revenues resulting in a 1% decrease in total expenses from \$275,783 in the second quarter of 2004 to \$273,045 for this quarter.

The company also continued with its recent trend of positive results by posting a net profit of \$48,889 for this quarter compared to a net loss of \$64,462 in the same period in 2004. “The company has definitely overcome the initial growing pains of a new business from the last couple of years. With the stability of positive net earnings over the last few quarters, we feel our net earnings will continue in the black and grow quarter over quarter as our revenues continue to climb. We want to build our business properly with solid

business fundamentals that shareholders can be confident in. If opportunities are available to grow our business or to improve our bottom line, we go after it. The future outlook is very promising for the company”, says Stanley Leung, President and CEO.

Furthermore, the Corporation expects revenues to continue growing in Canada’s largest market in Eastern Canada as more banners and stores add our Ready-to-Eat Chinese food program to their product mix. The initial feedback has been very positive in Ontario as retailers continue to source new products to offer to their customers in the growing home meal replacement and prepared foods departments. To help promote its product in this market, the company is working very closely with its retail customers to help build product and brand recognition. The Corporation has also started working on revamping its packaging and developing a new Asian product line targeted for release in the fourth quarter of this year.

All Ginger Beef products follow the highest quality and safety standards established by the Canadian Food Inspection Agency and use only meat inspected by this Agency.

#### About Ginger Beef Corporation

Ginger Beef Corporation is a food company based in Calgary, Alberta. It is a public company listed on the TSX Venture Exchange. Through two wholly owned subsidiaries, Ginger Beef Express Ltd. and Ginger Beef Choice Ltd., Ginger Beef franchises a number of take out/delivery service restaurants in Alberta and produces a number of frozen or ready to serve deli Chinese food products. The Corporation’s manufacturing facility is certified and licensed by the Canadian Food Inspection Agency as a federally regulated plant and therefore, all products manufactured can be shipped to all provinces and territories in Canada.

This news release contains forward-looking statements about the Corporation’s future prospects. Due to many risks and uncertainties including market conditions, industry uncertainty and other factors, the Corporation can give no assurance that the forward-looking statements in this news release will be realized.

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