



CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Restoring Freshness to **Nature** Bringing Quality to **Life**



還自然清新本色 給人類優質生活

Half-year Report 2002

二零零二年半年度業績報告

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sector or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This document, for which the directors (the “Directors”) of CK Life Sciences Int’l., (Holdings) Inc. (the “Company”) collectively and individually accept full responsibilities, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this document is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CHAIRMAN'S STATEMENT

Accelerate Sales Growth Strengthen Company Profitability

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") is well placed to grow from a strong financial base following the successful listing on the Growth Enterprise Market ("GEM") of the Hong Kong Stock Exchange in July. The Directors are confident that the combined strengths of the Group's funding base, skilled scientific talents, unique R&D platform, extensive and valuable intellectual property, market-oriented business approach, and revenue generation strategy will put the Group in an ideal position to exploit considerable commercial opportunities in products which satisfy needs in human health and environmental sustainability.

Interim results

During the six months ended 30 June 2002 which was a period prior to the listing, the Group recorded an unaudited loss attributable to shareholders of approximately HK\$49,368,000 (loss attributable to shareholders in the corresponding period last year was HK\$22,320,000). For the six months ended 30 June 2002, the loss per share was 0.97 cent, compared with a loss of 0.44 cent per share for the same period last year. The loss resulted principally from the expenses incurred in the Group's operating, research and development activities. The Board of Directors has not declared any interim dividend for the period under review.

Achievements

The Group's performance to 24 June 2002 has been detailed in the Company's prospectus dated 4 July 2002 (the "Prospectus"). The following are achievements accomplished subsequent to the publication of the Prospectus:

Listing

The Group was listed on the GEM of the Stock Exchange of Hong Kong on 16 July 2002, and has become the largest listed company on the GEM Board in terms of market capitalization. The listing has provided sustainable financial independence and flexibility, high business status and prominent corporate identity for CK Life Sciences. Currently, the Group is cash-rich, with more than HK\$2.5 billion available for further R&D and business expansion.

CHAIRMAN'S STATEMENT (Cont'd)

Patent Progress

CK Life Sciences is implementing an aggressive programme to build a portfolio of intellectual property, one of the Group's most valuable intangible assets.

Subsequent to the publication of the Prospectus, the following progress was made by CK Life Sciences in regard to patent applications:

- Two patents for the Group's eco-fertilizer products have been granted by the US Patent Office. Together with the three patents granted and two Notices of Allowance received for bioremediation products, the Group currently has a total of five patents granted and two approvals in the pipeline.
- Patents filed with the US Patent Office in July include:
 - a drug to treat AIDS;
 - a drug that can activate the immunity responses of white blood cells; and
 - Ten potential health supplement products.

In addition to the filing of patents for four fertilizer products, thirteen animal feed products and three bioremediation products, CK Life Sciences has altogether thirty-two products at patent pending stage.

Latest Status of CK Life Sciences' Patent Applications

	Eco-Agriculture		Bio-remediation	Nutra-ceuticals	Pharma-ceuticals	Dermato-logicals	Total
	Eco-fertilizer	Animal Feed Additive					
Patent Granted	2	-	3	-	-	-	5
Patent Approved – Notice of Allowance Received	-	-	2	-	-	-	2
Patent Pending	4	13	3	10	2	-	32
Drafting Stage	4	5	7	-	48	5	69
Total	10	18	15	10	50	5	108

CHAIRMAN'S STATEMENT (Cont'd)

Expansion of Distribution Network

CK Life Sciences appointed two distributors in July for NutriSmart™:

US Distributor – Wilbur-Ellis

Wilbur-Ellis was appointed as the distributor for NutriSmart™ in the US, with the main focus being the organic produce market and golf courses.

Malaysian Distributor – ACM

Agricultural Chemicals (M) Sdn Bhd ("ACM") was named the exclusive distributor of NutriSmart™ in Malaysia. CK Life Sciences and ACM will also form a strategic partnership in studying the application of NutriSmart™ on rice farming to facilitate development in the rice growing industry.

In addition to the appointment of distributors in Australia and Thailand earlier, CK Life Sciences has distribution networks in four countries presently spanning three continents – Australia, Asia and North America.

Prospects

To accelerate the rate of market expansion and to maximize the Group's earnings potential, CK Life Sciences will adopt the following three main approaches:

1. Strengthen Immediate Revenue

- CK Life Sciences will aggressively expand its eco-fertilizer distribution network in major markets to increase sales revenue.
- The Group will speed up launch of products with short R&D cycles that are close to final development, such as animal feed and bioremediation products, in order to maximize sales in the next few quarters.

CHAIRMAN'S STATEMENT (Cont'd)

2. Build Intangible Assets

- The Group plans to submit patent applications for all the remaining inventions in the current portfolio in the next twelve months and hopes to have the majority of the 108 products patented within the next three years.

3. Accelerate Expansion into Human Health Market

- The Group will speed up pre-market development and clinical trial of pharmaceutical products in partnership with universities and medical institutions in Hong Kong, Australia, and other countries around the world.

Generally, biotechnology companies take a number of years to become profitable. In CK Life Sciences' case, with its strong R&D progress and spontaneous initial market responses, it is envisaged that the Group would achieve profitability faster than industry norm. The management is fully confident in the prospects for the Group.

Acknowledgements

I wish to acknowledge the untiring support and hard work of our Directors and the management and staff of the Group, contributing to our rapid development in the past six months. I also offer my thanks to you, our shareholders, for your support of our energetic new company, which is ready to capture the exciting opportunities ahead.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 6 August 2002

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

Since the launch of NutriSmart™ in Thailand in December 2001, the Group has increased its sales volume and expanded its distribution network. For the six months ended 30 June 2002, turnover was approximately HK\$432,000 as compared to zero of the corresponding period last year. This turnover represents sales to Australia, Thailand and Myanmar amounting to HK\$225,000, HK\$148,000 and HK\$59,000 respectively. It is expected that sales will continue to grow for the second half of this year as the Group expands its distribution network.

The total expenses of the Group for the period was approximately HK\$49,596,000, which is about 122% increase when comparing to that of the same period last year. This increase was the result of a higher level of investment by the Group in research and development activities and business operations. It is expected that the Group will continue to maintain such higher level of investment during its initial stage of business development.

Financial resources, liquidity and treasury policies

Prior to the public share offer and placing in July 2002 by the Company, the liquidity and capital requirements of the Group had been financed by its shareholders. The total amount of loans due to the shareholders by the Group was approximately HK\$522,158,000 and such amount was fully capitalized on 17 June 2002.

Other than the above shareholders' loans, the Group has not had any loan arrangements with or obtained any credit facilities from any financial institutions since its establishment. As such, the gearing ratio, which is expressed as the Group's net borrowings over shareholders' funds, has been zero up to now. Similarly, the Group's assets have never been subject to any charges or mortgages.

As of 30 June 2002, the Group had a net cash position of approximately HK\$22,000,000. Following the listing of the Company's shares on the GEM of the Stock Exchange on 16 July 2002, the liquidity position of the Group has been strengthened with the proceeds from the public share offer and placing, which amounts to approximately HK\$2.5 billion after deducting all relevant expenses. The Group intends to apply these proceeds in the manner as disclosed in the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Taking into consideration the existing financial resources available to the Group, it is believed that the Group should have adequate financial resources to meet its operation, development requirements and investments in future.

The Group adopts a conservative treasury policies in cash and financial management. To achieve better risk control and minimize cost of funds, the Group's treasury activities are centralized. Cash is generally placed on deposits or interest-bearing instruments, mostly denominated in Hong Kong or U.S. dollars. The Group's liquidity and financing arrangements are reviewed regularly.

Capital commitment

The Group has made a capital commitment of about HK\$4,600,000 as capital expenditure in respect of the purchase of laboratory instruments, plant and equipment. Such amount was not included in the financial statements for the period under review as these purchases had not yet materialized. Other than this commitment, the Group did not have any other significant capital commitments as at 30 June 2002.

Material acquisition/disposals and significant investment

The Group had no material acquisitions, disposals and investment other than those set out in the Prospectus (Appendix IV under "Reorganization") during the six months ended 30 June 2002. At present, the Group has no future plan for material investments and capital assets other than those mentioned in the Prospectus.

Exposure on exchange rate fluctuation

During the period under review, sales and purchases of the Group were denominated mainly either in Hong Kong dollars or U.S. dollars. Due to the currency peg of the Hong Kong dollars to the U.S. dollars, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Information on employees

At the end of June 2001, the number of full-time employees stood at 80 with a total staff cost for the six months ended 30 June 2001 of approximately HK\$12,451,000. To support the expansion of the Group, such number increased to 133 at the end of June 2002 with a total staff cost of approximately HK\$28,895,000 for the six months ended 30 June 2002. The Group offers a remuneration package and a range of additional benefits to its employees, including pension and medical benefits. In order to motivate quality employees and attract high caliber candidates to join the Group, the Company has adopted a share option scheme.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2002 and as at 31 December 2001.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Subsequent to the issue of the Prospectus, the Group has made good progress in its operations, particularly in the following areas:

1. Patent application to the US Patent Office
 - 2 patent applications relating to fertilizers which had previously been issued with Notices of Allowance were granted with patents
 - 2 patent applications relating to pharmaceuticals have been filed and are pending official examination
 - 10 patent applications relating to nutraceuticals have been filed and are pending official examination
2. Expansion of the distribution network

In addition to the two distribution agreements made by the Group with independent third parties covering the markets in Thailand, Myanmar and Australia, the Group has recently achieved another milestone to expand its distribution network for marketing NutriSmart™ by appointing two more distributors: one in the U.S.A. and the other in Malaysia. The distribution network of the Group now spans across three continents.

The Group will continue to follow the objectives and strategies as set down in the Prospectus to pursue its business ventures.

USE OF PROCEEDS

The shares of the Company have been listed on the GEM of the Stock Exchange since 16 July 2002. The Company currently intends to deposit the funds raised through the share placing and public offer in banks and to invest them in bonds and other appropriate financial instruments to generate interest income for the Company and to apply the said fund later according to the schedule as mentioned under the section of "Use of Proceeds" in the Prospectus.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

The unaudited consolidated results of the Group for the three months and six months respectively ended 30 June 2002 and the comparisons with last year are set out below:

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Turnover	3	298	-	432	-
Cost of sales		(228)	-	(332)	-
Gross profit		70	-	100	-
Bank interest income		76	4	79	4
		146	4	179	4
Staff cost	4	(15,159)	(6,159)	(28,895)	(12,451)
Depreciation		(4,235)	(1,038)	(7,186)	(2,929)
Amortization of intangible assets		(158)	-	(316)	-
Operating expenses		(7,865)	(3,929)	(13,199)	(6,944)
		(27,417)	(11,126)	(49,596)	(22,324)
Loss before taxation		(27,271)	(11,122)	(49,417)	(22,320)
Taxation	5	-	-	-	-
Loss for the period		(27,271)	(11,122)	(49,417)	(22,320)
Minority interests		49	-	49	-
Loss attributable to shareholders		(27,222)	(11,122)	(49,368)	(22,320)
Dividend	6	-	-	-	-
Loss per share basic (Hong Kong cents)	7	0.53 cent	0.22 cent	0.97 cent	0.44 cent

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 30 June 2002 (unaudited) HK\$'000	As at 31 December 2001 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	8	211,380	196,895
Intangible assets	9	48,538	35,398
		259,918	232,293
Current assets			
Inventories		3,488	3,321
Debtors and prepayments	10	4,830	3,635
Bank balances and cash		22,049	6,456
		30,367	13,412
Current liabilities			
Creditors and accruals	10	(12,459)	(20,074)
Provision for taxation		(42)	(42)
		(12,501)	(20,116)
Net current assets/(liabilities)			
		17,866	(6,704)
Total assets less current liabilities			
		277,784	225,589
Non-current liability			
Amount due to immediate holding company	11	-	(421,014)
		277,784	(195,425)
Minority interests		(419)	-
Total net assets/(liabilities)			
		277,365	(195,425)
Capital and reserves			
Share capital	12	7	-
Share premium	13	522,151	-
Accumulated losses		(244,793)	(195,425)
Total shareholders' equity			
		277,365	(195,425)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital (Note 12) HK\$'000	Share premium (Note 13) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
2001				
At 1 January 2001	–	–	(137,491)	(137,491)
Loss for the six months ended 30 June 2001	–	–	(22,320)	(22,320)
At 30 June 2001	–	–	(159,811)	(159,811)
2002				
At 1 January 2002	–	–	(195,425)	(195,425)
Loss for the six months ended 30 June 2002	–	–	(49,368)	(49,368)
Arising from the issuance of shares upon capitalization of loan due to immediate holding company	7	522,151	–	522,158
At 30 June 2002	7	522,151	(244,793)	277,365

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

	Six months ended 30 June 2002 HK\$'000	Six months ended 30 June 2001 HK\$'000
Net cash used in operating activities	(52,258)	(17,850)
Net cash used in investing activities	(33,761)	(51,188)
Net cash outflow before financing	(86,019)	(69,038)
Net cash inflow from financing	101,612	74,926
Increase in cash and cash equivalents	15,593	5,888
Cash and cash equivalents at beginning of the period	6,456	398
Cash and cash equivalents at end of the period	22,049	6,286
Analysis of the balances of cash and cash equivalents: Bank balances and cash	22,049	6,286

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Group reorganization

The Company was incorporated in the Cayman Islands on 10 August 2001 as an exempted company with limited liability and its shares have been listed on the GEM of the Stock Exchange since 16 July 2002.

Pursuant to a group reorganization ("the Reorganization") to rationalize the structure of the Group in preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Company became the holding company of the Group on 13 March 2002. Details of the Reorganization are set out in the Prospectus.

2. Basis of preparation and principal accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with the Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The results of the Group for the period ended 30 June 2002 and the corresponding financial periods of last year have been prepared on the merger basis as if the current group structure had been in existence throughout the relevant period or since the date of incorporation, whichever is shorter and the Reorganization as disclosed in the Prospectus had been undertaken before 1 July 2002.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the period ended 30 June 2002 are consistent with those followed in the Accountants' Report as set out in the Prospectus.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3. Turnover

Turnover represents sales of NutriSmart™ – a range of environmentally friendly fertilizers. For the six months ended 30 June 2002, the sales of NutriSmart™ to Australia, Thailand, and Myanmar were approximately HK\$225,000, HK\$148,000, and HK\$59,000 with cost of sales amounting to approximately HK\$187,000, HK\$104,000, and HK\$41,000 respectively.

As more than 90% of the operating losses and assets are attributable to the Group's operating, research and development activities in Hong Kong, no analysis by geographical and business service segments in accordance with SSAP 26 "Segment Reporting" is provided herein.

4. Staff cost

Staff cost comprises costs of all the staff in the Group (including salaries, bonuses, pension costs, inducement payments and recruitment costs) but excludes costs of those staff related to development activities as such costs are to be capitalized.

5. Taxation

No provision for Hong Kong profit tax was made as there was no assessable profit for the three months and the six months respectively ended 30 June 2002 as well as the corresponding periods of last year.

6. Dividend

The Board of the Company has not declared an interim dividend for the six months ended 30 June 2002 (2001: Nil).

7. Loss per share

The calculation of the loss per share for the three months ended 30 June 2002 was based on the unaudited loss attributable to shareholders of approximately HK\$27,222,000 (2001: HK\$11,122,000) and assuming 5,100,000,000 shares had been in issue during the period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

The calculation of the loss per share for the six months ended 30 June 2002 was based on the unaudited loss attributable to shareholders of approximately HK\$49,368,000 (2001: HK\$22,320,000) and assuming 5,100,000,000 shares had been in issue during the period.

No diluted loss per share for the three months and six months respectively ended 30 June 2002 and the corresponding periods have been presented because there were no dilutive potential ordinary shares in existence during the periods.

8. Property, plant and equipment

	Leasehold land and building HK\$'000	Laboratory instruments, plant and equipment HK\$'000	Office equipment, furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1 January 2002	148,643	33,036	28,801	756	211,236
Addition during the period	2,184	19,534	1,908	141	23,767
Disposal	-	-	(6)	-	(6)
At 30 June 2002	150,827	52,570	30,703	897	234,997
Depreciation					
At 1 January 2002	3,193	5,132	5,874	142	14,341
Provided for the period	1,609	4,530	3,060	78	9,277
Eliminated on disposal	-	-	(1)	-	(1)
At 30 June 2002	4,802	9,662	8,933	220	23,617
Net book value					
At 30 June 2002	146,025	42,908	21,770	677	211,380
Net book value					
At 31 December 2001	145,450	27,904	22,927	614	196,895

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

9. Intangible assets

	Development cost HK\$'000	Patents HK\$'000	Total HK\$'000
Cost			
At 1 January 2002	32,004	3,447	35,451
Addition during the period	12,417	1,039	13,456
At 30 June 2002	44,421	4,486	48,907
Amortization			
At 1 January 2002	43	10	53
Provided for the period	257	59	316
At 30 June 2002	300	69	369
Net book value			
At 30 June 2002	44,121	4,417	48,538
Net book value			
At 31 December 2001	31,961	3,437	35,398

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

10. Debtors and creditors

The Group has a policy of allowing an average credit period of 90 days to its customers. Aging analyses of trade debtors and trade creditors are as follows:

	At 30 June 2002 HK\$'000	At 31 December 2001 HK\$'000
Trade debtors:		
Aged 0 to 90 days	367	148
Trade creditors:		
Aged 0 to 90 days	-	158

11. Amount due to immediate holding company

The amount due to immediate holding company was unsecured, interest free and with no fixed repayment term. On 17 June 2002, the amount was assigned to the immediate holding company's shareholders and thereafter was fully capitalized.

12. Share capital

	Number of shares of HK\$ 0.10 each	Nominal value HK\$'000
Authorized	15,000,000,000	1,500,000
Issued and fully paid	70,000	7

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

The changes in the Company's authorized and issued share capital during the period from 10 August 2001 (date of incorporation) to 30 June 2002 are detailed below:

1. As at the date of incorporation of the Company, its authorized share capital was US\$50,000 divided into 50,000 shares of US\$1.00 each and 1 share was allotted and issued at par.
2. On 22 April 2002, the following changes took place:
 - the Company re-denominated and increased its authorized share capital from US\$50,000 to an aggregate of (a) US\$50,000 and (b) HK\$1,000,000,000 by the creation of an additional 10,000,000,000 shares of HK\$0.10 each;
 - 78 new shares of HK\$0.10 each were issued for cash at par. The 1 share of US\$1.00 previously in issue was repurchased by the Company at a price equal to the proceeds of the issue of the 78 shares;
 - the authorized but unissued share capital of the Company was reduced by the cancellation of all the authorized 50,000 shares of US\$1.00 each; and
 - additional 22 new shares of HK\$0.10 each were issued for cash at par.
3. On 14 June 2002, the authorized capital of the Company was increased from HK\$1,000,000,000 to HK\$1,500,000,000 by the creation of an additional 5,000,000,000 shares of HK\$0.10 each.
4. On 17 June 2002, upon capitalization of the shareholders' loans of approximately HK\$522,158,000, an aggregate of 69,900 new shares of HK\$0.10 each were issued at a premium of approximately HK\$522,151,000.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

13. Share premium

	2002 HK\$'000	2001 HK\$'000
At 1 January	-	-
Issue of shares upon capitalization of shareholders' loans on 17 June 2002	522,151	-
At 30 June	522,151	-

14. Subsequent events

Subsequent to 30 June 2002, the share capital of the Company was changed as follows in connection with the listing of the Company's shares on the GEM of the Stock Exchange on 16 July 2002:

- a sum of HK\$509,993,000 was capitalized from the amount standing to the credit of the share premium account and the said sum was applied in paying up 5,099,930,000 shares of HK\$0.10 each in full at par.
- the Company issued a total of 1,307,000,000 shares of HK\$0.10 each at HK\$2.00 per share by way of placing and public offer.

DIRECTORS' INTERESTS

As the shares of the Company were listed on the GEM of the Stock Exchange on 16 July 2002, the Company was not required to keep a register under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") as at 30 June 2002.

Immediately upon the listing of the Company, the interests of the Directors and their respective associates in the shares or debentures of the Company and its associated corporations, if any, as required to be recorded in the register maintained by the Company under Section 29 of the SDI Ordinance were as follows:

Name of Directors	Number of Ordinary Shares of the Company				Total
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
Li Tzar Kuoi, Victor	1,500,000	–	–	2,820,008,571 (Note 1)	2,821,508,571
Kam Hing Lam	–	4,150,000	–	–	4,150,000
Ip Tak Chuen, Edmond	1,500,000	–	–	–	1,500,000
Yu Ying Choi, Alan Abel	1,500,000	–	–	–	1,500,000
Pang Shiu Fun	1,500,000	–	–	–	1,500,000
Chu Kee Hung	1,500,000	–	–	–	1,500,000
Lam Hing Chau, Leon	1,250,000	–	–	–	1,250,000
Kwan Chiu Yin, Robert	–	–	500,000 (Note 2)	–	500,000
Peter Peace Tulloch	500,000	–	–	–	500,000
Wong Yue-chim, Richard	250,000	–	–	–	250,000
Kwok Eva Lee	200,000	–	–	–	200,000

Notes:

- Such 2,820,008,571 shares are held by a subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong Holdings"). Li Ka-Shing Unity Trustee Company Limited ("TUT") as trustee of The Li Ka-Shing Unity Trust (the "LKS Unity Trust") and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of Cheung Kong Holdings. All issued and outstanding units in the LKS Unity Trust are held by Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor, his wife and two daughters, and Mr. Li Tzar Kai, Richard. Mr. Li Tzar Kuoi, Victor, as a discretionary beneficiary of such discretionary trusts and a Director of the Company, is taken to be interested in those shares of Cheung Kong Holdings and thus is taken to be interested in those 2,820,008,571 shares held by the subsidiary of Cheung Kong Holdings under the SDI Ordinance.
- Such shares are held by a company owned by Mr. Kwan Chiu Yin, Robert.

Save as disclosed above, none of the Directors and their respective associates had, following the listing of the Company, any interests in the shares or debentures of the Company and its associated corporations, if any, as recorded in the register under Section 29 of the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

As the shares of the Company were listed on the GEM of the Stock Exchange on 16 July 2002, the Company was not required to keep a register under Section 16(1) of the SDI Ordinance as at 30 June 2002.

Immediately upon the listing of the Company, the register, which is required to be kept under Section 16(1) of the SDI Ordinance, showed that the Company has been notified of the following interests, being 10% or more of the issued share capital of the Company. These interests were in addition to those disclosed above in respect of the Directors:

Name	Number of Ordinary Shares
Gold Rainbow Int'l Limited	2,820,008,571
Gotak Limited	2,820,008,571 (Note i)
Cheung Kong (Holdings) Limited	2,820,008,571 (Note ii)
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	2,820,008,571 (Note iii)
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	2,820,008,571 (Note iii)
Li Ka-Shing Unity Holdings Limited	2,820,008,571 (Note iii)
Trueway International Limited	1,410,004,286
Tangiers Enterprises Limited	1,880,005,715 (Note iv)
Mr. Li Ka-shing	4,700,014,286 (Note v)

Notes:

- i. This represents the same block of shares in the Company as shown against the name of Gold Rainbow Int'l Limited ("Gold Rainbow") above. Since Gold Rainbow is wholly-owned by Gotak Limited, Gotak Limited is deemed to be interested in the same number of shares in which Gold Rainbow was interested under the SDI Ordinance.
- ii. As Gotak Limited is wholly-owned by Cheung Kong Holdings, Cheung Kong Holdings is deemed to be interested in the same number of shares which Gotak Limited is deemed to be interested under the SDI Ordinance.
- iii. TUT as trustee of the LKS Unity Trust and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of Cheung Kong Holdings. All issued and outstanding units in the LKS Unity Trust are held by Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. More than one-third of the issued share capital of TUT and of the trustees of the discretionary trusts mentioned above are owned by Li Ka-Shing Unity Holdings Limited. Under the SDI Ordinance, each of TUT as trustee of the LKS Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Holdings Limited is deemed to be interested in the same block of shares as Cheung Kong Holdings is deemed to be interested as disclosed in Note ii above.

SUBSTANTIAL SHAREHOLDERS (Cont'd)

- iv. Trueway International Limited ("Trueway") is wholly-owned by Tangiers Enterprises Limited ("Tangiers") and Tangiers is deemed to be interested in a total of 1,880,005,715 shares under the SDI Ordinance, being the aggregate of the shares in which Trueway was interested as shown against the name Trueway above and the 470,001,429 shares held by Triluck Assets Limited (another company wholly-owned by Tangiers).
- v. This represents the aggregate of the blocks of shares in the Company in which Tangiers and Cheung Kong Holdings are respectively deemed to be interested under the SDI Ordinance. As Mr. Li Ka-shing owns more than one-third of the issued share capital of Tangiers and Li Ka-Shing Unity Holdings Limited, under the SDI Ordinance Mr. Li Ka-shing is deemed to be interested in the same number of shares in which both Tangiers and Cheung Kong Holdings are deemed to be interested as mentioned above.

DETAILS OF OPTIONS GRANTED BY THE COMPANY

The Company has adopted a share option scheme (the "Share Option Scheme") under which the Directors or employees of the Company or its subsidiaries or certain other persons may be granted options to subscribe for shares of the Company subject to the terms and conditions stipulated in the Share Option Scheme.

As at the date of this report, no option has been granted or agreed to be granted to any Directors or employees of the Company or its subsidiaries or any other persons under the Share Option Scheme.

COMPETING INTERESTS

Mr. Li Tzar Kuoi, Victor, Mr. Kam Hing Lam and Mr. Ip Tak Chuen, Edmond, the Chairman, the President and Chief Executive Officer, and the Senior Vice President and Chief Investment Officer, of the Company respectively, are the Deputy Chairman, the Deputy Managing Director and an Executive Director of Cheung Kong (Holdings) Limited respectively and each also holds directorships in certain of its associates as defined in the GEM Listing Rules (the "Associates") (collectively referred to as "Cheung Kong Group"). Mr. Li Tzar Kuoi, Victor and Mr. Kam Hing Lam are also the Deputy Chairman and an Executive Director of Hutchison Whampoa Limited respectively and each also holds directorships in certain of its Associates (collectively referred to as "Hutchison Group"). Both Cheung Kong Group and Hutchison Group engage in a wide range of businesses and investments which include, inter alia, the manufacturing and/or sale of water and beverages, health and beauty products and pharmaceutical products that may compete with the Group's nutraceutical, dermatological and pharmaceutical products. Details of the potential competition are set out in the Prospectus. The Directors believe that there is a risk that such businesses may compete with those of the Group.

Save as disclosed above, none of the Directors, the management shareholders of the Company or their respective Associates have any interests in a business which competes or may compete with the business of the Group.

SPONSOR'S INTERESTS

Pursuant to a sponsor's agreement dated 3 July 2002 between the Company and Salomon Smith Barney Hong Kong Limited ("SSB"), SSB has been appointed as a sponsor to the Company as required under the GEM Listing Rules at a fee from 16 July 2002 to 31 December 2004.

As notified to the Company by SSB, as at 30 June 2002, neither SSB, its directors, employees nor their associates had any interests in any securities of the Company or any of its associated corporations.

BOARD PRACTICES AND PROCEDURES

The Company has complied with the Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules since the shares of the Company were listed on the GEM of the Stock Exchange on 16 July 2002.

AUDIT COMMITTEE

The Company has established an audit committee on 26 June 2002 with written terms of reference based on the guidelines recommended by the Hong Kong Society of Accountants. The audit committee comprises two Independent Non-executive Directors of the Company, namely Mrs. Kwok Eva Lee and Mr. Wong Yue-chim, Richard who is the Chairman of such committee.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Company.

The audit committee has already reviewed the Group's unaudited condensed financial statements for the six months ended 30 June 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

On 22 April 2002, the one share of US\$1.00 par value was repurchased by the Company at a price equal to the proceeds of the issue of 78 new shares of HK\$0.10 each.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period from 1 January 2002 to the date of this report.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃專為帶有高投資風險之公司而設立之上市市場。尤為重要者，在創業板上市之公司毋須有過往溢利紀錄，亦毋須承擔預測未來溢利之任何責任。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。準投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之風險較高，以至其他特色，均表示創業板較適合專業及其他資深投資者。

基於創業板上市公司之新興性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為經聯交所就創業板而設之互聯網網站刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，準投資者應注意，彼等應瀏覽創業板網站，以便取得創業板上市發行人之最新資料。

本文件乃遵照聯交所創業板證券上市規則（「創業板證券上市規則」）而提供有關長江生命科技集團有限公司（「本公司」）的資料，本公司各董事願就此共同及個別承擔全部責任。各董事經作出一切合理查詢後確認，就彼等深知及確信，(1)本文件所載的資料於各重大方面均屬準確、完整且無誤導成份；(2)本文件並無遺漏其他事實，致使其任何聲明產生誤導；及(3)本文件表達的一切意見乃經審慎周詳考慮後始行作出，並以公平合理的基準及假設為依據。

主席報告

加速業務拓展步伐 強化集團盈利能力

長江生命科技集團有限公司（「長江生命科技」）繼七月成功於香港聯合交易所創業板（「創業板」）上市後，財務基礎更形穩固。憑藉其充裕資金、高水平之科研人才、獨特之科研平台、一系列廣泛而可貴之知識產權、市場主導之業務方針，以及具潛質的盈利能力，董事們有信心集團能把握龐大的商機，適時發展及推出產品，以迎合有關人類健康及可持續生態環境兩方面之需求。

中期業績

本集團於上市前，截至二零零二年六月三十日止六個月期間，錄得未經審核之股東應佔虧損約為港幣49,368,000元（去年同期之股東應佔虧損為港幣22,320,000元）。截至二零零二年六月三十日止六個月，每股虧損為港幣0.97仙，去年同期則錄得每股虧損港幣0.44仙。本年度首六個月之虧損主要因集團之營運及科研研究費用所致。董事會宣佈不派發二零零二年度中期股息。

業務之里程碑

集團截至二零零二年六月二十四日之業務表現已於本公司於二零零二年七月四日所刊印之招股章程（「招股章程」）中詳細刊載，繼招股章程刊發後所達致的業務里程碑如下：

上市

集團於二零零二年七月十六日於香港聯合交易所創業板掛牌上市，並成為目前創業板市值最大之公司。是次上市賦予長江生命科技獨立而具靈活性的財務能力、知名度，及鮮明的企業地位。現時集團資金充裕，手頭現金結存逾港幣25億元，以備科研及業務擴展之用。

主席報告（續）

專利之進展

長江生命科技以積極進取之態度建立知識產權，增強集團無形資產。

繼招股章程刊發之後，集團有關專利申請之進展如下：

- 一 兩項生態肥料產品獲美國專利及商標註冊處發出專利，連同在環境治理產品系列先前獲批的三項專利權及兩項專利權批准通知書，集團現總共擁有五項專利權及兩項專利權批准通知書。
- 一 於七月，集團向美國專利及商標註冊處遞交了新一批產品之專利申請：
 - 一種治療愛滋病的藥物；
 - 一種能加強白血球免疫反應之藥物；及
 - 十種具備潛質之保健食品。

加上先前已遞送申請書的四項肥料產品、十三項動物飼料添加劑及三項環境治理產品，長江生命科技現共有三十二種產品正在專利審批中。

長江生命科技各項產品之最新專利申請進度

	生態農業		環境治理	保健食品	醫藥	護膚用品	總數
	生態肥料	動物飼料 添加劑					
已獲專利權	2	—	3	—	—	—	5
已獲專利權 批准通知書	—	—	2	—	—	—	2
專利審批中	4	13	3	10	2	—	32
草擬專利申請中	4	5	7	—	48	5	69
總數	10	18	15	10	50	5	108

主席報告（續）

分銷網絡的擴展

長江生命科技於七月委任兩名NutriSmart™分銷商：

美國分銷商－Wilbur-Ellis

Wilbur-Ellis獲委任為美國之NutriSmart™分銷商，並以有機農作物及高爾夫球場為主要市場。

馬來西亞分銷商－ACM

Agricultural Chemicals (M) Sdn Bhd (「ACM」) 被委任為馬來西亞之NutriSmart™獨家分銷商。長江生命科技並會與ACM組成策略夥伴，共同研究把NutriSmart™應用在稻米種植上，以促進稻米種植業之發展。

連同早前在澳洲及泰國委任之分銷商，長江生命科技現時之分銷網絡遍及四個國家，並橫跨澳洲、亞洲及北美洲三大洲。

前景

長江生命科技的業務拓展策略在於加速產品銷售及強化集團盈利，並將沿用三大取向以促進集團之增長步伐：

1. 加速短期收益 強化集團盈利

- 長江生命科技將於世界各地的主要市場積極擴大生態肥料分銷網絡，以加速營業收入。
- 集團將加快推出動物飼料添加劑及環境治理產品等研發週期較短及已屆研發最後階段之產品，以增進銷售收益。

主席報告（續）

2. 加速專利申請 強化無形資產

- 集團計劃於未來十二個月內為餘下之產品發明遞交專利申請，並期望一百零八種產品中的大部分專利申請可在三年內成功獲批。

3. 加速臨床試驗 強化醫療組合

- 集團擬加快進行醫藥產品推出市場前之準備工作，並加緊與香港、澳洲及世界其他地區之大學及醫院等機構作臨床試驗，以期可盡快把醫藥產品推出市場。

生物科技公司一般需時數年才錄得盈利，惟長江生命科技憑著科研上的重大進程及產品在市場上獲取的熱烈反應，可望超越業界標準，在較短的時間內錄得盈利。管理層對本集團前景充滿信心。

致謝

本人謹對董事會同仁、管理層及員工的不懈努力，令集團於過去六個月以來增長迅速，致以深切謝意。藉此機會，本人亦對各位股東的熱烈支持表示衷心感謝，集團將全力把握每個拓展機遇，以實際行動答謝各位股東的支持。

主席
李澤鉅

香港，二零零二年八月六日

管理層討論及分析

財務概覽

自二零零一年十二月在泰國推出NutriSmart™後，本集團銷售額及分銷網絡均有增長及擴大。截至二零零二年六月三十日止六個月期間，營業額約港幣432,000元而去年同期之營業額為零。此營業額乃來自向澳洲、泰國及緬甸之銷售，分別約為港幣225,000元、港幣148,000元及港幣59,000元。隨著本集團擴大其分銷網絡，預期下半年度銷售將會持續增長。

本集團於此期間之總支出約港幣49,596,000元，與去年同期比較約增長122%。此增長是由於本集團在研究及開發活動和業務營運上均作出大量投資。本集團預計於業務發展初期，仍會繼續作出此等大量投資。

財務資源、流動資金及理財政策

在本公司於二零零二年七月股份公開發售及配售之前，本集團之流動資金及資本需求乃由股東所提供。集團欠股東之款項約為港幣522,158,000元，此款項於二零零二年六月十七日已全數資本化。

除上述股東貸款外，本集團自成立以來並無與任何財務機構作出貸款安排或獲得信貸額。因此直到目前為止，以集團之淨借貸佔股東權益總額計算之資本與負債比率為零。同樣地，本集團之資產並無作出任何抵押或按揭。

於二零零二年六月三十日，本集團之現金淨額約為港幣22,000,000元。隨著本公司之股份在二零零二年七月十六日於聯交所創業板上市，集團在股份公開發售及配售上，減除一切有關開支後共獲得約港幣25億元，此筆款項令集團之流動資金大為增強，集團擬依據招股章程內所述之用途運用此筆款項。

管理層討論及分析（續）

在考慮現時本集團所擁有的財務資源後，集團相信在財務方面有足夠資源以應付日後的營運、發展及投資需求。

集團對現金及財務管理採取審慎之理財政策。為妥善管理風險及降低資金成本，集團一切財務事宜均集中處理。目前現金存放於主要以港元或美元為單位之存款或付息金融工具上，集團對其資金流動及財務安排均作出定期審查。

資本承擔

本集團已作出約港幣4,600,000元之資本承擔，用作購買實驗室儀器、廠房及設備。由於交易仍未實質完成，所以此項金額並未包括在本期間賬目內。除此之外，本集團於二零零二年六月三十日並無其他重大資本承擔。

重大收購／出售及重要投資

除招股章程（附錄四「重組」一節）所刊載之資料外，集團於截至二零零二年六月三十日止六個月內並無重大收購、出售或投資。現時，本集團除在招股章程內所述計劃之外，並無計劃在未來作出重大投資或購入資本資產。

匯率波動風險

在本期間內，集團之銷售及購買主要以港元或美元為單位，由於港元匯率與美元掛鈎，此兩種貨幣之匯率持續穩定，因此本集團並無為此等貨幣進行對沖或作出其他類似之安排。

管理層討論及分析（續）

員工資料

於二零零一年六月底，全職僱員人數為八十名，而截至二零零一年六月三十日止六個月之員工總成本約港幣12,451,000元。為配合集團之擴充，於二零零二年六月底之全職僱員人數已增加至一百三十三名，而截至二零零二年六月三十日止六個月之員工總成本約港幣28,895,000元。集團為其僱員提供酬金及附加福利，包括退休金及醫療福利。為激勵優秀之員工及吸引有才幹之人士加盟本集團，本公司已採納一項購股權計劃。

或然負債

本集團於二零零二年六月三十日及二零零一年十二月三十一日並無任何重大或然負債。

業務目標與實際業務進度比較

在招股章程刊發之後，本集團在業務營運方面，尤其是下列之範疇，有十分良好之進展：

1. 向美國專利及商標註冊處申請專利權

- 兩項已獲專利權批准通知書之肥料專利申請，現更進一步獲發專利權
- 已遞交兩項醫藥專利權申請，現有待官方審查
- 已遞交十項保健食品之專利權申請，現有待官方審查

2. 擴大分銷網絡

本集團除與獨立第三者訂立兩項分銷協議，涵蓋了泰國、緬甸及澳洲市場之外，最近更在擴大推廣NutriSmart™分銷網絡上，達至另一新里程，委任多兩間分別位於美國及馬來西亞之分銷商。至今，本集團之分銷網絡已跨越三大洲。

本集團將繼續依照招股章程所述之業務宗旨及策略，尋求發展各項商業項目。

所得款項用途

本公司之股份自二零零二年七月十六日起在聯交所創業板上市。本公司現擬將經由股份配售及公開發售中所獲得之款項存放於銀行及投資於債券及其他合適之金融工具上，以收取利息收入，並按招股章程內「所得款項用途」一節所列之計劃表運用此筆款項。

簡明綜合收益表（未經審核）

本集團於二零零二年六月三十日止之三個月及六個月期間之未經審核綜合業績及其與去年之比較如下：

	附註	截至六月三十日 止三個月		截至六月三十日 止六個月	
		二零零二年 千港元	二零零一年 千港元	二零零二年 千港元	二零零一年 千港元
營業額	3	298	—	432	—
銷售成本		(228)	—	(332)	—
毛利		70	—	100	—
銀行利息收入		76	4	79	4
		146	4	179	4
員工成本	4	(15,159)	(6,159)	(28,895)	(12,451)
折舊		(4,235)	(1,038)	(7,186)	(2,929)
攤銷無形資產		(158)	—	(316)	—
經營開支		(7,865)	(3,929)	(13,199)	(6,944)
		(27,417)	(11,126)	(49,596)	(22,324)
除稅前虧損		(27,271)	(11,122)	(49,417)	(22,320)
稅項	5	—	—	—	—
期內之虧損		(27,271)	(11,122)	(49,417)	(22,320)
少數股東權益		49	—	49	—
股東應佔虧損		(27,222)	(11,122)	(49,368)	(22,320)
股息	6	—	—	—	—
每股虧損	7	0.53 仙	0.22仙	0.97 仙	0.44仙
— 基本(港仙)		0.53 仙	0.22仙	0.97 仙	0.44仙

簡明綜合資產負債表

	附註	於二零零二年 六月三十日 (未經審核) 千港元	於二零零一年 十二月三十一日 (經審核) 千港元
非流動資產			
物業、廠房及設備	8	211,380	196,895
無形資產	9	48,538	35,398
		259,918	232,293
流動資產			
存貨		3,488	3,321
應收賬款及予付款項	10	4,830	3,635
銀行結存及現金		22,049	6,456
		30,367	13,412
流動負債			
應付賬款及應計費用	10	(12,459)	(20,074)
稅項準備		(42)	(42)
		(12,501)	(20,116)
流動資產／(負債)淨值		17,866	(6,704)
總資產減流動負債		277,784	225,589
非流動負債			
應付直接控股公司款項	11	—	(421,014)
		277,784	(195,425)
少數股東權益		(419)	—
總資產／(負債)淨值		277,365	(195,425)
資本及儲備			
股本	12	7	—
股本溢價	13	522,151	—
累積虧損		(244,793)	(195,425)
股東權益總額		277,365	(195,425)

簡明綜合權益變動表（未經審核）

	股本 (附註12) 千港元	股本溢價 (附註13) 千港元	累積虧損 千港元	總計 千港元
二零零一年				
於二零零一年一月一日	—	—	(137,491)	(137,491)
截至二零零一年六月三十日止 六個月之虧損	—	—	(22,320)	(22,320)
於二零零一年六月三十日	—	—	(159,811)	(159,811)
二零零二年				
於二零零二年一月一日	—	—	(195,425)	(195,425)
截至二零零二年六月三十日止 六個月之虧損	—	—	(49,368)	(49,368)
因直接控股公司借款資本化而 發行股份	7	522,151	—	522,158
於二零零二年六月三十日	7	522,151	(244,793)	277,365

簡明綜合現金流動狀況表 (未經審核)

	截至 二零零二年 六月三十日止 六個月 千港元	截至 二零零一年 六月三十日止 六個月 千港元
經營業務所運用之現金淨額	(52,258)	(17,850)
投資活動所運用之現金淨額	(33,761)	(51,188)
融資前之現金流出淨額	(86,019)	(69,038)
融資之現金流入淨額	101,612	74,926
現金及現金等值項目之增加	15,593	5,888
期初現金及現金等值項目	6,456	398
期末現金及現金等值項目	22,049	6,286
現金及現金等值項目之結存分析： 銀行結存及現金	22,049	6,286

簡明綜合財務報表附註

1. 集團重組

本公司於二零零一年八月十日在開曼群島註冊成立為受豁免有限責任公司，其股份已於二零零二年七月十六日開始在聯交所創業板上市。

為準備本公司於聯交所創業板上市，本集團之公司進行了一項集團重組（「重組」），以整頓集團之架構。本公司據此於二零零二年三月十三日成為本集團之控股公司。重組之細節已於招股章程內詳盡解釋。

2. 呈報基準及主要會計政策

本半年度未經審核之簡明綜合財務報表乃根據香港會計師公會頒佈之香港會計實務準則（「會計實務準則」）第二十五條「中期財務報告」及創業板上市規則有關披露規定編制。

本集團截至二零零二年六月三十日止期間及去年同期業績以合併基準編制並假設集團之現時架構在有關期間或自彼等各自註冊成立日期以來（以較短期間者為準）一直存在，及於招股章程內披露之重組在二零零二年七月一日前已完成。

在截至二零零二年六月三十日止期間之簡明綜合財務報表內所採用之會計政策，與招股章程內會計師報告中所列出之會計政策相符。

簡明綜合財務報表附註（續）

3. 營業額

營業額來自銷售NutriSmart™，此為一系列保護環境之肥料。截至二零零二年六月三十日止六個月，銷售NutriSmart™予澳洲、泰國及緬甸款額分別約為港幣225,000元、港幣148,000元及港幣59,000元，而銷售成本則分別約為港幣187,000元、港幣104,000元及港幣41,000元。

由於超過90%之經營虧損及資產是來自本集團於香港之營運、研究及開發活動，因此本節並無根據會計實務準則第二十六條「分項呈報」按地區及業務服務範疇作出分析。

4. 員工成本

員工成本包括本集團所有員工之成本，當中包括薪金、花紅、退休金成本、入職獎金及招聘成本，而已被資本化之員工成本則除外；此等被資本化之員工成本與開發活動有關。

5. 稅項

鑒於截至二零零二年六月三十日止三個月及六個月期內及去年同期並無應課稅溢利，故並無就香港利得稅作出撥備。

6. 股息

本公司董事會不派發截至二零零二年六月三十日止六個月之中期股息（二零零一年：無）。

7. 每股虧損

截至二零零二年六月三十日止三個月期間之每股虧損乃根據未經審核股東應佔虧損約港幣27,222,000元（二零零一年：港幣11,122,000元）及假設該期間已發行5,100,000,000股計算。

簡明綜合財務報表附註（續）

截至二零零二年六月三十日止六個月期間之每股虧損乃根據未經審核股東應佔虧損約港幣49,368,000元（二零零一年：港幣22,320,000元）及假設該期間已發行5,100,000,000股計算。

截至二零零二年六月三十日止三個月及六個月期間及去年之同一期間，本集團並無任何潛在可攤薄普通股，故無計算攤薄每股虧損。

8. 物業、廠房及設備

	租賃土地 及樓宇 千港元	實驗室 儀器、 廠房及設備 千港元	辦公室 設備、 傢俬及裝置 千港元	汽車 千港元	總計 千港元
成本					
於二零零二年一月一日	148,643	33,036	28,801	756	211,236
期內增添	2,184	19,534	1,908	141	23,767
出售	—	—	(6)	—	(6)
於二零零二年六月三十日	150,827	52,570	30,703	897	234,997
折舊					
於二零零二年一月一日	3,193	5,132	5,874	142	14,341
期內撥備	1,609	4,530	3,060	78	9,277
出售回撥	—	—	(1)	—	(1)
於二零零二年六月三十日	4,802	9,662	8,933	220	23,617
賬面淨值					
於二零零二年六月三十日	146,025	42,908	21,770	677	211,380
賬面淨值					
於二零零一年十二月三十一日	145,450	27,904	22,927	614	196,895

簡明綜合財務報表附註（續）

9. 無形資產

	開發成本 千港元	專利權 千港元	總計 千港元
成本			
於二零零二年一月一日	32,004	3,447	35,451
期內增添	12,417	1,039	13,456
於二零零二年六月三十日	44,421	4,486	48,907
攤銷			
於二零零二年一月一日	43	10	53
本期撥備	257	59	316
於二零零二年六月三十日	300	69	369
賬面淨值			
於二零零二年六月三十日	44,121	4,417	48,538
賬面淨值			
於二零零一年十二月三十一日	31,961	3,437	35,398

簡明綜合財務報表附註（續）

10. 應收賬款及應付賬款

集團一般給予客戶平均九十日之信貸期。應收貿易賬款及應付貿易賬款之賬齡分析如下：

	於二零零二年 六月三十日 千港元	於二零零一年 十二月三十一日 千港元
應收貿易賬款 賬齡由0至90日	367	148
應付貿易賬款 賬齡由0至90日	—	158

11. 應付直接控股公司款項

應付直接控股公司之款項為無抵押、免息及無固定還款期。於二零零二年六月十七日，該款項已出讓予直接控股公司之股東及繼後悉數資本化。

12. 股本

	每股面值港幣 0.10元 股數	面值 千港元
法定	15,000,000,000	1,500,000
已發行及實收	70,000	7

簡明綜合財務報表附註（續）

由二零零一年八月十日（註冊成立日期）至二零零二年六月三十日，本公司之法定及已發行股本變動詳情如下：

1. 於本公司註冊成立日，其法定股本為50,000美元，分為50,000股每股1.00美元之股份。同時在當日，本公司以面值發行及配發1股1.00美元之股份。
2. 於二零零二年四月二十二日，有以下之變動：
 - 本公司藉增設額外10,000,000,000股每股港幣0.10元之股份，更改法定股本之幣值及增加法定股本，由50,000美元增至合共(a) 50,000美元及(b) 港幣1,000,000,000元。
 - 本公司以現金按面值發行每股港幣0.10元之78股新股，並按相等於發行該78股新股份所得款項之價格，購回本公司先前發行每股1.00美元之股份1股。
 - 本公司藉註銷所有每股1.00美元之股份50,000股，削減本公司之法定但未發行股本。
 - 本公司以現金按面值額外發行每股港幣0.10元之22股新股。
3. 於二零零二年六月十四日，本公司透過增設額外5,000,000,000股每股港幣0.10元之股份將法定股本由港幣1,000,000,000元增加至港幣1,500,000,000元。
4. 於二零零二年六月十七日，本公司將當時股東之貸款約港幣522,158,000元資本化後，以股本溢價約港幣522,151,000元額外發行合共69,900股每股港幣0.10元之新股。

簡明綜合財務報表附註（續）

13. 股本溢價

	二零零二年 千港元	二零零一年 千港元
於一月一日	—	—
於二零零二年六月十七日因股東貸款 資本化而發行股票	522,151	—
於六月三十日	522,151	—

14. 結算日後事項

於二零零二年六月三十日後，因本公司股份於二零零二年七月十六日在聯交所創業板上市而出現下列之股本變動：

- 為數港幣509,993,000元之股份溢價賬已被資本化，並用以按面值繳足5,099,930,000股每股港幣0.10元之股份。
- 本公司以每股港幣2.00元配售及公開發售1,307,000,000股每股港幣0.10元之股份。

董事權益

由於本公司之股份在二零零二年七月十六日於聯交所創業板上市，於二零零二年六月三十日，本公司毋須根據證券(公開權益)條例(「公開權益條例」)第二十九條規則而制定所指之登記冊。

緊隨本公司上市當日，按公開權益條例第二十九條規則而制定之登記冊所載，各董事及彼等之聯繫人持有之本公司及相聯公司(如有)之股份或債券如下：—

董事	本公司之普通股股數				總數
	個人權益	家族權益	公司權益	其他權益	
李澤鉅	1,500,000	—	—	2,820,008,571 (附註一)	2,821,508,571
甘慶林	—	4,150,000	—	—	4,150,000
葉德銓	1,500,000	—	—	—	1,500,000
余英才	1,500,000	—	—	—	1,500,000
彭樹勳	1,500,000	—	—	—	1,500,000
朱其雄	1,500,000	—	—	—	1,500,000
林興就	1,250,000	—	—	—	1,250,000
關超然	—	—	500,000 (附註二)	—	500,000
Peter Peace Tulloch	500,000	—	—	—	500,000
王于漸	250,000	—	—	—	250,000
郭李綺華	200,000	—	—	—	200,000

附註：

- 該批2,820,008,571股股份由長江實業(集團)有限公司(「長實」)之附屬公司持有。Li Ka-Shing Unity Trustee Company Limited (「TUTJ」)以The Li Ka-Shing Unity Trust (「LKS Unity Trust」)信託人身份及其控制之公司持有長實已發行股本三分之一以上。LKS Unity Trust所發行之全部信託單位由Li Ka-Shing Unity Trustee Corporation Limited 以The Li Ka-Shing Unity Discretionary Trust信託人身份及另一全權信託持有。該等全權信託之可能受益人包括李嘉誠先生、李澤鉅先生、其妻子與兩名女兒，及李澤楷先生。李澤鉅先生作為該等全權信託之可能受益人及本公司董事，被視為於長實股份擁有權益，及因此被視為於上述由該長實之附屬公司所持有之2,820,008,571股股份擁有權益。
- 該等股份乃由關超然先生擁有一間公司持有。

除上文所披露者外，按公開權益條例第二十九條規則而制定之登記冊所載，各董事及彼等之聯繫人於緊隨本公司上市後概無於本公司及相聯公司(如有)之股份或債券持有任何權益。

主要股東

由於本公司之股份在二零零二年七月十六日於聯交所創業板上市，於二零零二年六月三十日，本公司毋須根據公開權益條例第十六條一項而制定所指之登記冊。

緊隨本公司上市當日，根據公開權益條例第十六條一項而制定之登記冊上所示，本公司得知以下人士持有本公司已發行股本中10%或以上之權益。該等權益並不包括上文所披露之董事權益：

名稱	普通股股數
Gold Rainbow Int'l Limited	2,820,008,571
Gotak Limited	2,820,008,571 (附註i)
長江實業(集團)有限公司 身為The Li Ka-Shing Unity Trust信託人之 Li Ka-Shing Unity Trustee Company Limited	2,820,008,571 (附註ii) 2,820,008,571 (附註iii)
身為The Li Ka-Shing Unity Discretionary Trust 信託人之Li Ka-Shing Unity Trustee Corporation Limited	2,820,008,571 (附註iii)
Li Ka-Shing Unity Holdings Limited	2,820,008,571 (附註iii)
Trueway International Limited	1,410,004,286
Tangiers Enterprises Limited	1,880,005,715 (附註iv)
李嘉誠先生	4,700,014,286 (附註v)

附註：

- 此代表上文以Gold Rainbow Int'l Limited(「Gold Rainbow」)名義呈列之同一批本公司股份。由於Gold Rainbow為Gotak Limited之全資附屬公司，根據公開權益條例，Gotak Limited被視為擁有Gold Rainbow持有之同等數目之股份權益。
- 由於Gotak Limited為長實之全資附屬公司，根據公開權益條例，長實被視為擁有Gotak Limited持有之同等數目之股份權益。
- 身為LKS Unity Trust信託人之TUT及其控制之公司持有長實已發行股本三分之一以上。LKS Unity Trust所發行之全部信託單位由身為The Li Ka-Shing Unity Discretionary Trust信託人之Li Ka-Shing Unity Trustee Corporation Limited及另一全權信託持有。Li Ka-Shing Unity Holdings Limited擁有TUT及上述全權信託之信託人已發行股本三分之一以上。根據公開權益條例，身為LKS Unity Trust信託人之TUT、身為The Li Ka-Shing Unity Discretionary Trust信託人之Li Ka-Shing Unity Trustee Corporation Limited，以及Li Ka-Shing Unity Holdings Limited，彼等各自被視為於上文附註ii所述長實被視為持有之同等數目之股份中擁有權益。

主要股東（續）

- iv. Trueway International Limited (「Trueway」) 為 Tangiers Enterprises Limited (「Tangiers」) 之全資附屬公司，根據公開權益條例，Tangiers 被視為擁有合共 1,880,005,715 股股份之股份權益，即 Trueway 名下持有之股份及 Triluck Assets Limited (Tangiers 全資擁有之另一家公司) 名下持有之 470,001,429 股股份之總和。
- v. 此批股份為根據公開權益條例 Tangiers 及長實分別被視為擁有權益之本公司股份之總和。由於李嘉誠先生擁有 Tangiers 及 Li Ka-Shing Unity Holdings Limited 已發行股本三分之一以上，根據公開權益條例，李嘉誠先生被視為擁有上述 Tangiers 及長實持有之同等數目之股份權益。

本公司授出購股權之詳情

本公司已採納一項購股權計劃（「購股權計劃」），根據購股權計劃，本公司或其附屬公司之董事或僱員或其他指定人士可根據購股權計劃內訂定之條款及條件，獲授予購股權以認購本公司之股份。

於本報告刊發日期，本公司概無根據購股權計劃授出或同意授出任何購股權予本公司或其附屬公司之董事或僱員或任何其他人士。

競爭性業務之權益

本公司之主席李澤鉅先生、總裁及行政總監甘慶林先生，及高級副總裁及投資總監葉德銓先生分別為長江實業（集團）有限公司之副主席、副董事總經理及執行董事，以及其若干聯繫人（「聯繫人」，按創業板上市規則之定義）之董事（統稱「長實集團」）。李澤鉅先生及甘慶林先生亦分別為和記黃埔有限公司之副主席及執行董事，以及其若干聯繫人之董事（統稱「和黃集團」）。鑒於長實集團及和黃集團從事種類繁多之業務及投資，其中包括製造及/或銷售用水及飲料、保健及化妝品以及醫藥產品，與本集團保健食品、護膚用品及醫藥產品構成競爭。可能出現之競爭詳情已刊載於招股章程內。董事相信，該等業務可能與本集團之業務構成競爭。

除上文所披露者外，本公司之董事及管理層股東或其聯繫人概無擁有任何與本集團業務構成競爭或可能構成競爭之業務權益。

保薦人權益

根據於二零零二年七月三日由本公司與所羅門美邦香港有限公司(「所羅門美邦」)訂立之保薦人協議，為遵守創業板上市規則，所羅門美邦獲委任為本公司之保薦人，並就此收取費用，任期由二零零二年七月十六日至二零零四年十二月三十一日止。

本公司獲所羅門美邦告知，截至二零零二年六月三十日止，所羅門美邦、其董事、僱員或聯繫人概無於本公司或其任何聯營公司之證券擁有任何權益。

董事會常規及程序

自本公司之股份在二零零二年七月十六日於聯交所創業板上市以來，本公司一直遵守創業板上市規則第5.28條至5.39條所規定之董事會常規及程序。

審核委員會

本公司於二零零二年六月二十六日成立一個具備書面權責範圍之審核委員會。書面權責範圍乃根據香港會計師公會之指引制訂。審核委員會由獨立非執行董事郭李綺華女士及王于漸先生兩位組成，王于漸先生為委員會主席。

審核委員會之主要職責為審查及監察本集團之財政匯報程序及內部運作監控。

審核委員會已審查本集團截至二零零二年六月三十日止六個月之未經審核綜合財務報表。

購入、出售或贖回本公司之股份

於二零零二年四月二十二日，本公司按相等於發行每股面值港幣0.10元之股份78股新股所得款項之價格，購回本公司先前發行每股面值1.00美元之股份1股。

除上文所披露者外，由二零零二年一月一日至本報告刊發日期，本公司或其任何附屬公司概無購入、出售或贖回本公司之任何股份。

CK Life Sciences Int'l. (Holdings) Inc.

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