

## DEFINITIONS

*In this prospectus, the following expressions have the following meanings, unless the context otherwise requires:*

“Application Form(s)”	<b>WHITE</b> application form(s) and <b>YELLOW</b> application form(s), or, where the context requires either of them, which are used by applicants under the Public Offer
“Asia” or “Asian region”	includes Hong Kong, the PRC, Japan, Australia, Taiwan, Singapore and Korea
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of directors of the Company
“business day”	a day on which banks are generally open for business in Hong Kong (other than a Saturday)
“Capitalisation Issue”	the capitalisation issue referred to in the paragraph headed “Resolutions passed at extraordinary general meetings of the Company which were held on 20 April, 2004 and 31 May, 2004” in the section headed “Further information about the Company” in Appendix V to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Celltech”	Celltech Limited, a company incorporated in Hong Kong under the Companies Ordinance on 25 January, 2002 with limited liability and an indirect wholly owned subsidiary of the Company
“Chinese University”	The Chinese University of Hong Kong
“Companies Law”	the Companies Law (2003 Revision) (Cap 22) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended) as amended, supplemented or otherwise modified from time to time
“Company”	Plasmagene Biosciences Limited, a company incorporated in the Cayman Islands on 27 June, 2002 under the Companies Law
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules

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“Consultancy Agreement”	an agreement entered into between the Chinese University and Plasmagene on 23 June, 2001 relating to the provision of consultancy services by the Chinese University through its designated consultant, Professor Lo, to Plasmagene (as supplemented by an agreement dated 10 August, 2001 and varied by a variation agreement dated 25 July, 2002 and a supplemental variation agreement dated 13 September, 2002)
“Convertible Notes”	the convertible notes of an aggregate principal amount of HK\$21.5 million issued by the Company to the Noteholders in December 2002. These Convertible Notes shall be converted into Shares in three stages, namely the Initial IPO Conversion prior to the Listing Date, the First Post IPO Conversion which will take place on the First Post IPO Conversion Date and the Second Post IPO Conversion which will take place on the Second Post IPO Conversion Date
“Director(s)”	the director(s) of the Company
“Dr. Yeung”	Dr. Yeung Wah Hin, Alex, the chairman of the Board
“European Union”	an economic and political union established in 1993 after the ratification of the Maastricht Treaty by members of the European Community. There are currently 25 member countries in the European Union, namely Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Hungary, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Malta, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the United Kingdom
“First Post IPO Conversion”	the conversion of 40% of the aggregate nominal value of the Convertible Notes into a total of 34,400,000 Shares to be allotted and issued to the Noteholders on the First Post IPO Conversion Date, pursuant to the terms of the Convertible Notes
“First Post IPO Conversion Date”	the date on which the First Post IPO Conversion shall take place, being the date falling six months after the Listing Date
“First Shanghai Capital” or “Sponsor”	First Shanghai Capital Limited, a deemed licensed corporation licensed to perform type 6 regulated activity (i.e. advising on corporate finance) under the SFO and the sponsor for the Listing

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“First Shanghai Securities” or “Lead Manager”	First Shanghai Securities Limited, a deemed licensed corporation to carry on business in types 1, 4, 6, 7 and 9 regulated activities (dealing in securities, advising on securities, advising on corporate finance, providing automated trading services and asset management) under the SFO and the lead manager and bookrunner of the Share Offer
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM website”	the GEM website located at <i>www.hkgem.com</i> , operated by the Stock Exchange for GEM
“Group”	the Company and its subsidiaries, and where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company, where relevant
“HK\$”, “Hong Kong dollar(s)” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong government”	the Government of Hong Kong
“independent third party (parties)”	a third party who (i) is independent of, and not connected with (within the meaning of the GEM Listing Rules), any Director, chief executive, substantial or management shareholder of the Company, or any of their respective subsidiaries or associates of any of them, and (ii) has no business relationship with the Group
“Initial IPO Conversion”	the conversion of 30% of the aggregate nominal value of the Convertible Notes into 25,800,000 Shares to be allotted and issued to the Noteholders, prior to the Listing Date pursuant to the terms of the Convertible Notes

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“Initial Management Shareholders”	has the meaning ascribed thereto under the GEM Listing Rules. In the case of the Group, this means Dr. Yeung, Ms. Margaret Tsui, the wife of Dr. Yeung, Spring Biotech and its beneficial and ultimate shareholder, namely, Town Health Bio-Medical Technology Limited, Town Health, Vanbarry Corporation and its sole beneficial shareholder, namely, Mr. Cheng Yan Tak, Angus Ronald, Diamond Tech Investment Limited and its sole beneficial shareholder, namely, Mr. Wong Yan Kit
“ISIS”	ISIS Innovation Limited, a company incorporated on 27 November, 1987 in the United Kingdom under the Companies Act 1985 (as amended), and wholly owned by the Oxford University in the United Kingdom
“JAIC”	Japan Asia Investment Co., Ltd., a company whose shares are listed on the JASDAQ market, Japan. It specialises in the management of direct investment funds in Japan and other parts of the world
“JAIC HK”	JAIC International (Hong Kong) Company Limited, a company incorporated on 8 March, 1994 in Hong Kong under the Companies Ordinance with limited liability and a wholly owned subsidiary of JAIC
“JAIC Technology”	JAIC Technology Seed No. 1 Venture Capital Investment, L.P., a limited partnership established on 30 November, 2001 under the laws of Japan and was formed for the purpose of making related investments in innovative technology companies. It is owned by JAIC and other independent third parties. It is managed by JAIC
“Latest Practicable Date”	3 June, 2004, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Listing”	the trading of the Shares on GEM as from the Listing Date
“Listing Date”	the date when the Shares are first traded on GEM
“MCVIL”	MMFI CAPI Venture Investments Limited, a limited company incorporated on 10 April, 2000 in British Virgin Islands and was formed for the purpose of making equity related investments in companies with operations in China and Hong Kong. It is managed by JAIC HK

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“Ms. Margaret Tsui”	Ms. Yeung Tsui Mai Ling, Margaret, a Director, the wife of Dr. Yeung and an Initial Management Shareholder
“Noteholders”	holders of the Convertible Notes, or any one of them. They are The Applied Research Council, MCVIL, JAIC, JAIC Technology, Mr. Robert Owen, Mr. Russell Young, Mr. Tong Sui Bau, Mr. Lee Kam Lun, Kenyon and Ms. Jessica Pui Han Jook
“Offer Price”	the price of HK\$0.50 per Offer Share (excluding 1% brokerage fee, 0.005% transaction levy, 0.002% investor compensation levy and 0.005% Stock Exchange trading fee payable thereon) at which the Offer Shares are to be subscribed for and allotted and issued pursuant to the Share Offer
“Offer Shares”	the Placing Shares and the Public Offer Shares
“PDx Technology”	plasma nucleic acid technology for its use and conducting research and development. This is the platform technology that involves a core technology with a number of nucleic acids amplification techniques such as polymerase chain reaction that can be used to detect, with related component technologies in each or all of, the genetic markers including DNA, RNA, EB virus DNA or viral genomes found circulating in the blood plasma or serum and in other bodily fluids for screening, diagnosis and monitoring of diseases including cancer or pre-cancerous conditions, foetal related illnesses such as X-linked diseases, Rhesus D factor incompatibilities, Down’s syndrome and other critical illnesses such as organ transplant failure, stroke, trauma and pleural effusion. A platform technology is a core technology from which new related technologies are developed, but the PDx Technology itself is a name given to this broad term of definition and is not an individual invention
“Placing”	the conditional placing of the Placing Shares for cash at the Offer Price with professional, institutional and other investors on and subject to the terms and conditions stated in this prospectus
“Placing Underwriting Agreement”	a placing underwriting agreement relating to the Placing expected to be entered into between the Company, the executive Directors, the Initial Management Shareholders, First Shanghai Securities, First Shanghai Capital and the Placing Underwriters

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“Placing Shares”	a total of 57,600,000 new Shares (subject to reallocation between the Public Offer and the Placing as described in the section headed “Structure and conditions of the Share Offer” in this prospectus) being offered for subscription pursuant to the Placing
“Placing Underwriters”	the underwriter(s) of the Placing named in the paragraph headed “Underwriters” in the section headed “Underwriting” of this prospectus
“Plasmagene”	Plasmagene Limited, a company incorporated in Hong Kong under the Companies Ordinance on 23 March, 2001 with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, which for the purposes of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Professor Lo”	Professor Lo Yuk Ming, Dennis, the Chinese University’s designated consultant to the Group under the Consultancy Agreement and a Shareholder
“Public Offer”	the conditional offer of the Public Offer Shares to members of the public in Hong Kong by way of an offer for subscription at the Offer Price, payable in full on application, on and subject to the terms and conditions stated in this prospectus and the Application Forms
“Public Offer Shares”	6,400,000 new Shares initially being offered for subscription in Hong Kong pursuant to the Public Offer (subject to reallocation between the Public Offer and the Placing as described in the section headed “Structure and conditions of the Share Offer” in this prospectus)
“Public Offer Underwriters”	the underwriters of the Public Offer named in the paragraph headed “Underwriters” in the section headed “Underwriting” of this prospectus
“Public Offer Underwriting Agreement”	the underwriting agreement dated 7 June, 2004 relating to the Public Offer made between the Company, the executive Directors, First Shanghai Securities, First Shanghai Capital, the Initial Management Shareholders and the Public Offer Underwriters

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“Qualified Listing”	the Listing as at the Listing Date pursuant to which the gross proceeds from the Share Offer are equal to or exceed HK\$40 million and the number of issued Shares at the Listing Date multiplied by the Offer Price exceeds HK\$200 million, calculated on the basis of assuming all Convertible Notes having been fully converted prior to the Listing
“Reorganisation”	the reorganisations of the Group in preparation for the Listing, details of which are set out in the paragraph headed “Group reorganisation” in the section headed “Further information about the Company” in Appendix V to this prospectus
“Right of First Refusal Agreement”	an agreement entered into between the Chinese University and the Company on 8 August, 2002 relating to the grant of a right of first refusal to the Company by the Chinese University in respect of certain technology and inventions of the PDX Technology, as amended and supplemented by agreements dated 31 October, 2003 and 16 April, 2004
“RMB”	Renminbi, the lawful currency of the PRC
“Second Post IPO Conversion”	the conversion of 30% of the aggregate nominal value of the Convertible Notes into 25,800,000 Shares to be allotted and issued to the Noteholders on the Second Post IPO Conversion Date pursuant to the terms of the Convertible Notes
“Second Post IPO Conversion Date”	the date on which the Second Post IPO Conversion shall take place, being the date falling twelve months after the Listing Date
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended, supplemented to and modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	holders of the Shares from time to time
“Share Offer”	the Placing and the Public Offer
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 20 April, 2004, the principal terms of which are summarised in the paragraph headed “Summary of the terms of the Share Option Scheme” in the section headed “Share Option Scheme” in Appendix V to this prospectus

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“Sponsor’s Agreement”	a sponsor’s agreement dated 7 June, 2004 entered into between the Company and First Shanghai Capital, pursuant to which First Shanghai Capital has agreed to act as the Company’s continuing sponsor for the period from the Listing Date until 30 June, 2006 for a fee agreed between them
“Spring Biotech”	Spring Biotech Limited, a company incorporated in the British Virgin Islands on 20 April, 2001 under the International Business Companies Act (Cap 291) and an indirect wholly owned subsidiary of Town Health and an Initial Management Shareholder
“sq.ft.”	square feet
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Applied Research Council”	The Applied Research Council is a company wholly owned by the Hong Kong government. It was incorporated on 11 August, 1992 in Hong Kong under the Companies Ordinance with limited liability. It is responsible for the control and administration of the Applied Research Fund, which provides funding support to technology ventures and research and development projects that have commercial potential in the form of venture capital
“The Chinese University of Hong Kong Foundation Limited”	The Chinese University of Hong Kong Foundation Limited is a non-profit company limited by guarantee incorporated in Hong Kong on 9 March, 1990 under the Companies Ordinance, and whose objects are to promote and develop educational and cultural programmes, scientific and technological research, hospital and related healthcare and service providers, human services programmes and other public services activities
“Town Health”	Town Health International Holdings Company Limited, a company incorporated in the Cayman Islands on 24 August, 1999 under the Companies Law with limited liability and whose shares are listed on GEM, and an Initial Management Shareholder
“Town Health group”	Town Health and its subsidiaries from time to time, including Spring Biotech, Spring Biotech (China) Limited and Town Health Bio-Medical Technology Limited



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“Track Record Period”	the two years ended 30 June, 2003 and the six months ended 31 December, 2003
“Unconditional Date”	the later of:  (a) the date upon which the Underwriting Agreements become unconditional in all respects pursuant to the terms of these agreements;  (b) the date that the rights of the Underwriters and the Lead Manager to terminate the Underwriting Agreements for any exceptional circumstances, including, without limiting the generality thereof, any event of force majeure, have ceased and are of no effect or validity whatsoever; and  (c) the date three days before the Listing Date
“Underwriter(s)”	collectively the Placing Underwriters and the Public Offer Underwriters
“Underwriting Agreements”	the Placing Underwriting Agreement and the Public Offer Underwriting Agreement relating to the Share Offer, details of which are set out in the section headed “Underwriting” in this prospectus
“U.S.”, “United States” or “U.S.A.”	the United States of America
“US\$”, “United States dollars” or “US cents”	United States dollars and cents, respectively, the lawful currency of the United States
“3 Ben”	3 Ben Genomics Hong Kong Ltd., a company incorporated in the Republic of Mauritius on 11 January, 2001 under the Mauritius International Companies Act 1994 with limited liability and an indirect wholly owned subsidiary of the Company

*Unless otherwise specified in this prospectus, amount denominated in US\$ has been translated, for the purpose of illustration only, into Hong Kong dollars at the following rate:*

$$HK\$7.80 = US\$1.00$$

*The above exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been or may be converted at the above rate or at any other rates.*