

INFORMATION ON TOWN HEALTH

The Town Health group is principally engaged in the provision of healthcare and dental services, sale of healthcare and pharmaceutical products and the investments in a number of companies in the healthcare industry.

Town Health is a company whose shares are listed on GEM. As at the Latest Practicable Date, Dr. Cho Kwai Chee, the chairman of Town Health, held indirectly 13.08%, and Mr. Cho Kam Luk held directly 0.1%, of the issued share capital of Town Health. The remaining 86.82% of the issued share capital of Town Health is held by other directors of Town Health and members of the public.

On 23 April, 2002, the Group formed a strategic alliance with Spring Biotech, an indirect subsidiary of Town Health, to jointly launch a community research programme. The programme consists of seminars and cancer testing services offered by the Group. The test results would, on one hand, be followed up by their own doctors or physicians at the medical centres of Town Health and on the other hand, serve as primary data for use by the Group in its research into early detection methodologies for cancer.

The Directors believe that the strategic relationship between the Town Health group and the Group will enhance the development of the Group's business in Hong Kong. As at the Latest Practicable Date, the Town Health group operated over 30 medical and dental practices and had a large patient base in the region of over 400,000 patients. It is expected that some of these patients may use the testing services offered by the Group. As a result, synergies are expected to result from the strategic relationship between the Town Health group and the Group.

CONNECTED TRANSACTIONS BETWEEN THE GROUP AND THE TOWN HEALTH GROUP

Particulars of the connected transactions between the Group and subsidiaries of the Town Health group are set out in the paragraph headed "Connected transactions" of the section headed "Business" in this prospectus.

TOWN HEALTH'S INTEREST IN THE COMPANY

Town Health, through its indirectly wholly owned subsidiary, Spring Biotech, will be interested in approximately 17.46% of the issued share capital of the Company immediately following completion of the Share Offer, the Capitalisation Issue and full conversion of Convertible Notes, taking no account of any Shares which may be allotted and issued upon the exercise of any options granted or to be granted under the Share Option Scheme or pursuant to the Right of First Refusal Agreement or under the general mandate to issue or repurchase Shares referred to in Appendix V to this prospectus. Town Health has nominated one executive Director, namely Mr. Cho Kam Luk. (Please refer to the section headed "Directors, senior management and employees" in this prospectus for information on Mr. Cho.)