

### *Biomedical Investment*

While the directors consider that the gene technology products are highly prosperous, on 27th November, 2002, Starstruck Investment Limited (“Starstruck”), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Changchai Co., Limited (“Changchai”), a joint stock limited company established in the PRC, which “A” shares are listed on the Shenzhen Stock Exchange, in relation to the acquisition of 33% equity interest in E-Life Gene, which is the entire interest of Changchai in E-Life Gene, at a consideration of HK\$14,340,000. Upon completion, an aggregate of 84% of the equity interest of E-Life Gene will be beneficially owned by the Company, as to 33% of which will be beneficially owned by Starstruck and 51% of which will be beneficially owned by Starglow International Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company, which holds 100% interest in it through its wholly-owned subsidiary, Starstruck.

## **INTERIM DIVIDEND**

The Board of Directors has resolved not to recommend the payment of any interim dividend for the six months ended 30th September, 2002 (2001: Nil)

## **CONTINGENT LIABILITIES**

At the balance sheet date, the Group does not have any contingent liabilities (31st March, 2002: Nil)

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

Neither the Company nor its subsidiaries purchase, sold or redeemed any of the Company’s listed securities during the six months ended 30th September, 2002.

## **DIRECTORS’ INTERESTS IN SHARES**

As at 30th September, 2002, the interests of the directors and their associates in the share capital of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”) as recorded in the register kept by the Company under section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) were as follows:

Name of director	Number of ordinary shares of HK\$0.05 in the Company				Total
	Personal interests	Family interests	Corporate interests	Interests in concert	
Wang Jian Hua (Note 1)	–	–	2,256,000,000	–	2,256,000,000
Ng Tang, David (Note 1)	–	–	(Note 1)	–	2,256,000,000
Bao Wen Bin (Note 1)	–	–	(Note 1)	–	2,256,000,000
Pak Chung (Notes 2 and 3)	11,982,000	50,000,000	305,018,760	61,100,000	428,100,760

*Notes:*

1. Mr. Wang Jian Hua, Mr. Ng Tang, David and Mr. Bao Wen Bin beneficially own 93.7%, 3.8% and 2.5%, respectively, of the issued share capital of Best Chance Holdings Limited, which in turn owns 2,256,000,000 shares of HK\$0.05 each in the Company.
2. Mr. Pak Chung has corporate interest in the Company's shares through Fortune Garden Investments Limited, which is wholly and beneficially owned by him. In addition, 50,000,000 shares were held by Mr. Pak Chung's wife, Ms. Sun Li and Mr. Pak Chung is therefore deemed to have an interest in these shares.
3. Mr. Pak Chung and Ms. Sun Ching Wai are acting in concert.

Save as disclosed above and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, as at 30th September, 2002, none of the directors of the Company or their associates had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations, within the meaning of the SDI Ordinance to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the six months ended 30th September, 2002.

## **SHARE OPTION SCHEME**

Pursuant to the share option scheme adopted on 5th March, 1996 (the "1996 Scheme") and effective for a period of ten years after the date of adoption of the scheme, the Company granted options to directors and employees of the Company and its subsidiaries to subscribe for shares in the Company for the primary purpose of providing incentives to directors and eligible employees. Options granted must be taken up within 28 days from the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant. The subscription price, subject to adjustment, shall not be less than 80% of the average of the closing prices of the shares of the Company on the five trading days immediately before the options were offered. Options granted are exercisable for a period of four and a half years commencing on the expiry of six months after the date on which the options are granted. The total number of shares in respect of which options may be granted and had already been granted under the 1996 Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The total number of shares in respect of which options may be granted and had already been granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be grant under the 1996 Scheme.