

Chairman's Statement

OUR GOAL IS TO CONTINUE SEIZING OPPORTUNITIES FOR GLOBAL EXPANSION AND ENHANCE SHAREHOLDERS' VALUE

To the shareholders,

I have pleasure in presenting to the shareholders my report on the operations of the Group for the year ended 31st December, 2003.

PROFIT FOR THE YEAR

The Group's audited consolidated profit attributable to shareholders was HK\$33.7 million (2002: HK\$118.9 million). Earnings per share were HK\$1.41 cents (2002: HK\$5.77 cents).

BUSINESS REVIEW

The year 2003 has been a critical year for the Group. The most significant event was the shifting of the Group's core business from property investment to medical diagnostic products and services. In July 2003, the Group acquired HD Global Limited, a group that develops and sells Protein Chip Systems for Multi-tumor Marker Detection ("C12 Products") and the relevant inspection equipment for the diagnosis of cancers at early stage.

C12 Products are capable of detecting up to twelve tumor makers at the same time and assist with the medical diagnosis of ten prevalent cancers at an early stage, increasing the success rate for inspection and recovery to over 80%. Currently, there is no identical substitute available in the market and this put the Group in a favourable position to enjoy first mover advantages in this already enormous and growing market.

In 2003, the Group has already entered into long-term collaboration agreements with several key insurance corporations in the PRC to include the C12 Products in the standard health check program. These collaborations enable the Group to have immediate and direct access to the existing mass insurance clientele.

After the outbreak of Severe Acute Respiratory Syndrome ("SARS") in the first half of the year, the general public has recognized the importance of diagnostic products to detect diseases. The Group believes that this trend will continue as the advantages and application of proteomic diagnostic tools are getting better understanding and acceptance by medical professionals as well as the community at large.

PROPERTY INVESTMENTS

The Group continues to enhance its quality portfolio of investment properties to strengthen its solid base of steady earnings in the PRC during the year through the acquisitions of two grade A office buildings, both located in the prime commercial center in Shanghai, PRC.

COMPUTER PRODUCTS TRADING

The Group started its computer products trading business in Hong Kong and the PRC in July 2003. The Group acquired 51% equity interest of 上海龍祥電腦有限公司, a company engaged in the distribution of computer chips and accessories in the Shanghai region in June, 2003.

PROSPECTS

The outlook for the Group for 2004 is extremely promising. There is no doubt that the PRC represents one of the largest and rapidly growing markets for the Group's medical diagnostic products and services. With management insight in the medical diagnostic and detection market potential, the technology know-how in proteomic discovery, and the successful and encouraging results in 2003, the management and I are confident to deliver solid financial results to the shareholders in 2004, through implementation of the followings:

- Expand production capacity of the proteomic products in the PRC;
- Strengthen the distribution channels and after-sales support services; and
- Increasing sales of proteomic products by including the products in standard health check programs.

The management and I are confident that the Group will achieve impressive and steady results through the launching of these reliable and technologically advanced medical diagnostic products and services in the long term.

CORPORATE GOVERNANCE

In the highly competitive global market, the Group has demonstrated a strong ability to seize timely opportunities for global expansion. Being the Group's commitment to protect shareholders' interests, all decisions are made to enhance shareholders' value and uphold our good standard of corporate governance practices.

The Group has produced solid results under difficult and challenging market conditions. I would like to take this opportunity to express my appreciation and gratitude to our shareholders for their continued support and my fellow directors and staff of the Group for their commitments and contributions to the success of the Group throughout the year.

Yao Yuan
Executive Chairman

31st March, 2004