

年 報
ANNUAL REPORT



普施基因生物科技有限公司*
PLASMAGENE BIOSCIENCES LIMITED

2004

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 sectors 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 at <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange (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, (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板乃為帶有高投資風險的公司提供一個上市的市場。尤其在創業板上市的公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市的公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富投資者。

由於創業板上市公司新興的性質使然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

創業板發佈資料的主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司一般毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資的人士應注意彼等能閱覽創業板網頁 <http://www.hkgem.com>，以便取得創業板上市發行人的最新資料。

聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因依賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所創業板(「創業板」)證券上市規則(「創業板上市規則」)的規定而提供有關本公司的資料。本公司各董事(「董事」)願就本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及確信：(1)本報告所載的資料在各重大方面均屬真確及完整，且無誤導成份；(2)本報告並無遺漏任何事項，致使本報告任何內容有所誤導；及(3)本報告表達的所有意見已經審慎周詳考慮並按公平合理的基準及假設而作出。

CONTENTS 目錄

Corporate Information 公司資料	2
Notice of Annual General Meeting 股東週年大會通告	4
Chairman's Statement 主席報告	11
Management Discussion and Analysis 管理層討論及分析	13
Business Objectives and Actual Business Progress Comparison 業務目標與實際業務進展的比較	19
Board of Directors, Consultant and Senior Management 董事會、顧問及高級管理層	21
Report of the Directors 董事會報告	24
Auditors' Report 核數師報告	34
Consolidated Income Statement 綜合收益表	36
Consolidated Balance Sheet 綜合資產負債表	37
Balance Sheet 資產負債表	38
Consolidated Statement of Changes in Equity 綜合權益變動報表	39
Consolidated Cash Flow Statement 綜合現金流量表	40
Notes to the Financial Statements 財務報表附註	42
Financial Summary 財務概要	88

CORPORATE INFORMATION 公司資料

EXECUTIVE DIRECTORS

Dr. Yeung Wah Hin, Alex
Mr. Cheng Yan Tak, Angus Ronald
Mr. Cho Kam Luk
Mrs. Yeung Tsui Mai Ling, Margaret

NON-EXECUTIVE DIRECTOR

Mr. Lau Kam Shan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngan Man Wong, Matthew
Dr. Loh Kai Tsu, Kevin
Mr. Chan Siu Wing, Raymond

REGISTERED OFFICE

Ugland House, PO Box 309GT
South Church Street, Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Club Lusitano
16 Ice House Street, Central
Hong Kong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ms. Leung Kwan Yu CPA, FCCA

AUTHORISED REPRESENTATIVES

Dr. Yeung Wah Hin, Alex
Ms. Leung Kwan Yu

COMPLIANCE OFFICER

Mr. Cheng Yan Tak, Angus Ronald

AUDIT COMMITTEE MEMBERS

Dr. Ngan Man Wong, Matthew
(Chairman of Audit Committee)
Dr. Loh Kai Tsu, Kevin
Mr. Chan Siu Wing, Raymond

SPONSOR

First Shanghai Capital Limited

AUDITORS

RSM Nelson Wheeler
Certified Public Accountants

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

執行董事

楊華顯醫生
鄭恩德先生
曹金陸先生
楊徐美玲女士

非執行董事

劉金山先生

獨立非執行董事

顏文煌醫生
陸凱祖醫生
陳兆榮先生

註冊辦事處

Ugland House, PO Box 309GT
South Church Street, Grand Cayman
Cayman Islands

香港主要營業地點

香港中環
雪廠街16號
西洋會所大廈5樓

公司秘書及合資格會計師

梁郡如女士 CPA, FCCA

授權代表

楊華顯醫生
梁郡如女士

監察主任

鄭恩德先生

審核委員會成員

顏文煌醫生
(審核委員會主席)
陸凱祖醫生
陳兆榮先生

保薦人

第一上海融資有限公司

核數師

羅申美會計師行
執業會計師

主要往來銀行

香港上海滙豐銀行有限公司

CORPORATE INFORMATION 公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

M&C Corporate Services Limited
Ugland House, PO Box 309GT
South Church Street, Grand Cayman
Cayman Islands

主要股份過戶登記處

M&C Corporate Services Limited
Ugland House, PO Box 309GT
South Church Street, Grand Cayman
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
1712-1716, 17th Floor,
Hopewell Centre
183 Queen's Road East
Hong Kong

股份過戶登記處香港分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心
17樓1712-1716室

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

NOTICE IS HEREBY GIVEN that an annual general meeting (the "AGM") of Plasmagene Biosciences Limited (the "Company") will be held at 6th Floor, 33 Sharp Street, Causeway Bay, Hong Kong on Monday, 25 October 2004 at 9:00 a.m. to transact the following ordinary businesses:

1. to receive, consider and, if thought fit, approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the "Directors") and auditors for the year ended 30 June 2004;
2. to approve the Directors' remuneration which are different from the disclosures made in the prospectus of the Company dated 8 June 2004:
 - (a) Dr. Yeung Wah Hin, Alex – cash remuneration to be revised from HK\$62,500 per month to HK\$30,000 per month with effect from 18 June 2004, being the listing date of the Company on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Listing Date") for the initial term of 3 years; and
 - (b) Mr. Cheng Yan Tak, Angus Ronald – remuneration to be revised from the granting to him of share options of the Company amounting to HK\$250,000 after completion of 12 months services from the Listing Date to a payment of HK\$30,000 per month with effect from the date of the AGM for the remaining of the initial term of 2 years;

Other terms will remain the same as that stipulated in the original service agreements dated 20 April 2004 entered into between the Company and each of Dr. Yeung Wah Hin, Alex and Mr. Cheng Yan Tak, Angus Ronald.

3. to re-elect the retiring Directors and to authorise the board of Directors (the "Board") to fix their remuneration;
4. to re-appoint auditors and authorise the Board to fix their remuneration;

茲通告 普施基因生物科技有限公司 (「本公司」) 謹訂於2004年10月25日 (星期一) 上午九時正假座香港銅鑼灣東街33號6樓舉行股東週年大會 (「股東週年大會」), 以處理下列一般事項:

1. 省覽、考慮並酌情批准截至2004年6月30日止年度本公司及其附屬公司的經審核綜合財務報表及本公司董事 (「董事」) 報告與核數師報告;
2. 批准董事酬金, 有關酬金有別於本公司日期為2004年6月8日的招股章程所披露者:
 - (a) 楊華顯醫生 – 現金酬金將由每月62,500港元修訂為每月30,000港元, 由2004年6月18日 (即本公司於香港聯合交易所有限公司創業板上市之日期 (「上市日期」) 起生效, 初步為期三年; 及
 - (b) 鄭恩德先生 – 酬金將由彼於上市日期起計服務滿十二個月獲授本公司購股權總值250,000港元, 修訂為每月獲支付30,000港元, 由股東週年大會舉行日期起生效, 直至初步年期兩年的餘下期間結束止;

其他條款與本公司分別與楊華顯醫生及鄭恩德先生各自於2004年4月20日訂立的原有服務協議所訂定者比較維持不變。

3. 重選退任董事, 並授權本公司董事會 (「董事會」) 釐訂彼等的酬金;
4. 重新委聘核數師, 並授權董事會釐訂其酬金;

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

5. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company, including without limitation upon the exercise of any options which have/may be granted pursuant to an agreement entered into by the Company with The Chinese University of Hong Kong (the “Chinese University”) 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, as amended and supplemented by agreements dated 31 October 2003 and 16 April 2004 (the “Right of First Refusal Agreement”), and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

5. 作為特別事項，考慮並酌情通過（不論是否有修改）下列決議案為普通決議案：

「動議：

- (a) 在本決議案第(c)段的規限下，並根據聯交所創業板證券上市規則（「創業板上市規則」）的規定，一般及無條件批准董事於有關期間（定義見下文）內行使本公司一切權力，以配發、發行及處理本公司股本中的未發行股份，包括但不限於在根據本公司與香港中文大學（「中文大學」）於2002年8月8日就中文大學授予本公司有關若干技術及發明的優先購買權而訂立的協議（經日期為2003年10月31日及2004年4月16日的協議修訂及補充）（「優先購買權協議」）而已授出／可能授出的任何購股權獲行使時，並作出或授予可能需要行使該等權力的售股建議、協議及購股權；
- (b) 本決議案第(a)段的批准將授權董事於有關期間內作出或授出可能需要於有關期間結束後行使該等權力的售股建議、協議及購股權；

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any option under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which carry rights to subscribe for or are convertible into shares in the Company, shall not exceed the aggregate of:
- (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution, "Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any other applicable laws of the Cayman Islands to be held; and
- (c) 董事依據本決議案第(a)段的批准而配發或同意有條件或無條件配發(不論是否根據購股權或其他方式配發者)、發行或處理的股本總面值,不得超過以下兩項的總和,惟(i)供股(定義見下文);或(ii)行使本公司購股權計劃下的任何購股權;或(iii)根據不時有效的本公司組織章程細則,施行以股代息或類似安排而需配發股份以代替全部或部分股息;或(iv)行使本公司發出的任何認股權證或可換股票據的條款賦予的權利而須予發行的任何股份或附帶權利可認購本公司股份或轉換為本公司股份的任何證券則不受此限制:
- (aa) 本決議案獲通過當日本公司已發行股本總面值的20%;及
- (bb) (倘董事獲本公司股東以獨立的普通決議案授權)於本決議案通過後本公司購回的本公司任何股本面值(最多相等於本決議案通過當日本公司已發行股本總面值的10%),而根據本決議案(a)段授出的授權亦受此限制;及
- (d) 就本決議案而言,「有關期間」乃指本決議案通過當日起至下列最早日期止的期間:
- (i) 本公司下屆股東週年大會結束時;
- (ii) 本公司的組織大綱及章程或開曼群島的任何其他適用法例規定本公司須舉行下屆股東週年大會的期限屆滿時;及

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

(iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to eligible holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

6. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

(a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its shares on the GEM or any other stock exchange outside Hong Kong on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the GEM Listing Rules, the Articles of Association of the Company and all other applicable laws in this regards, be and the same is hereby generally and unconditionally approved;

(iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案授予董事的授權當日。

「供股」指在董事指定的期間內，向於某一指定記錄日期載列於股東名冊內的本公司合資格股份持有人按彼等當時的持股比例建議發售本公司股份，或建議發售或發行認股權證、購股權或其他附有認購股份權利的證券（惟董事有權就零碎股權，或法例下的任何限制或責任，或適用於本公司的任何司法權區的法律限制或責任，或任何認可監管機構或適用於本公司的任何證券交易所的規定，作出彼等認為必需或權宜的安排，取消若干股東在此方面的權利或作出其他安排。）

6. 作為特別事項，考慮並酌情通過（不論是否有修改）下列決議案為普通決議案：

「動議：

(a) 在本決議案第(b)段的規限下，一般及無條件批准董事根據香港證券及期貨事務監察委員會（「證監會」）、創業板上市規則、本公司組織章程細則及有關此方面的所有適用法例，於有關期間（定義見下文）內行使本公司一切權力，於創業板或本公司證券可能上市並獲證監會及聯交所就此而言認可的任何其他香港以外的證券交易所購回其股份；

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purposes of this resolution, "Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any other applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."
7. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"THAT:

subject to the ordinary resolutions nos. 5 and 6 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to resolution no. 5 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution."

(b) 本公司根據本決議案第(a)段授予的批准而可於有關期間內購回的本公司股份總面值，不得超過本公司於本決議案獲通過當日的已發行股本總面值的10%，而根據本決議案第(a)段授出的授權亦受此限制；

(c) 就本決議案而言，「有關期間」乃指本決議案通過當日起至下列最早日期止的期間：

(i) 本公司下屆股東週年大會結束時；

(ii) 本公司的組織大綱及章程或開曼群島的任何其他適用法例規定本公司須舉行下屆股東週年大會的期限屆滿時；及

(iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案授予董事的授權當日。」

7. 作為特別事項，考慮並酌情通過（不論是否有修改）下列決議案為普通決議案：

「動議：

待本大會通告所載的第5及第6項決議案獲正式通過後，擴大根據上文所載第5項決議案授予董事行使本公司權力配發、發行及處理未發行股份的無條件一般授權，方式為加入相等於本公司根據上文所載第6項決議案授予的授權購回的本公司股份總面值的數額，惟有關數額不得超過本公司於本決議案獲通過當日的已發行股本總面值的10%。」

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

As at the date of this notice, the executive Directors are Dr. Yeung Wah Hin, Alex, Mr. Cheng Yan Tak, Angus Ronald, Mr. Cho Kam Luk and Mrs. Yeung Tsui Mai Ling, Margaret; the non-executive Director is Mr. Lau Kam Shan; and the independent non-executive Directors are Dr. Ngan Man Wong, Matthew, Dr. Loh Kai Tsu, Kevin and Mr. Chan Siu Wing, Raymond.

By order of the Board
Plasmagene Biosciences Limited
Dr. Yeung Wah Hin, Alex
Chairman

承董事會命
普施基因生物科技有限公司
 主席
楊華顯醫生

Hong Kong, 30 September 2004

香港，2004年9月30日

Registered Office: *Principal Place of Business*
 Ugland House *in Hong Kong:*
 PO Box 309GT 5/F, Club Lusitano
 South Church Street 16 Ice House Street
 Grand Cayman Central
 Cayman Islands Hong Kong

註冊辦事處: *香港主要營業地點:*
 Ugland House 香港中環
 PO Box 309GT 雪廠街16號
 South Church Street 西洋會所大廈5樓
 Grand Cayman
 Cayman Islands

Notes:

附註:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the annual general meeting will be enclosed with the 2004 Annual Report. Such form of proxy is also published on the GEM website at www.hkgem.com. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.

1. 凡有權出席由以上通告召開的股東週年大會並於會上投票的股東均有權委任一名或多名代表代其出席及(根據本公司章程細則的規定)代其投票。受委代表無須為本公司股東，惟必須親身出席股東週年大會以代表股東。倘委派超過一名受委代表，有關委任文件必須註明各受委代表所代表的股份數目及類別。
2. 股東週年大會適用的代表委任表格將隨附於2004年年報內。該代表委任表格亦登載於創業板網頁 www.hkgem.com。代表委任表格必須按其所列印的指示填妥及簽署，連同經簽署的授權書及經簽署證明的其他授權文件(如有)或經公證人簽署證明的授權書或授權文件副本，須於股東週年大會或其任何續會指定舉行時間四十八小時前送交本公司的股份過戶登記處香港分處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心46樓，方為有效。填妥並交回代表委任表格後，股東仍可親身出席股東週年大會或其任何續會，並於會上投票。

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

3. In the case of joint holders of shares, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. In relation to proposed resolution no. 3 above, Mr. Lau Kam Shan and Dr. Ngan Man Wong, Matthew will retire from their offices by rotation at the annual general meeting pursuant to Article 112 and being eligible, will offer themselves for re-election at the annual general meeting.
5. In relation to proposed resolutions nos. 5 and 7 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorize the allotment and issue of shares under the GEM Listing Rules. The Directors have no immediate plans to issue new shares other than the shares which may fall to be issued under the share option scheme of the Company, or the Right of First Refusal Agreement, or the conversion of convertible notes, or any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of whole or part of a dividend which may be approved by shareholders of the Company.
6. In relation to proposed resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in a separate document to be dispatched to the shareholders of the Company with the annual report for the year ended 30 June 2004.
3. 如為股份的聯名持有人，則任何一位該等聯名持有人(不論為親身或委派代表)均可就有關股份於股東週年大會上投票，猶如彼乃唯一有權投票的股份持有人，倘超過一位該等聯名持有人(不論為親身或委派代表)出席股東週年大會，則該等出席的人士中，只有在本公司股東名冊排名首位的聯名持有人方有權投票。
4. 就上文第3項提呈決議案而言，劉金山先生及顏文煌醫生將根據細則第112條於股東週年大會輪值告退，而彼等符合資格且願意於股東週年大會膺選連任。
5. 就上文第5項及第7項提呈決議案而言，本公司正根據創業板上市規則向本公司股東尋求批准，藉以授予授權董事配發及發行股份的一般授權。董事現無計劃即時發行任何本公司新股份，惟根據本公司購股權計劃、或優先購買權協議、或轉換可換股票據、或本公司股東可能批准提供股份配發及發行以代替全部或部份股息的任何以股代息計劃或類似安排而將予發行的股份除外。
6. 就上文第6項提呈決議案而言，董事謹此聲明彼等僅在彼等認為符合本公司股東利益的情況下始會行使該決議案賦予的權力以購回股份。載有創業板上市規則規定的所需資料，以便股東於投票表決時可對提呈決議案作出知情決定的說明函件載於本公司另行刊發的文件，該文件將連同截至2004年6月30日止年度的年報一併寄發予本公司股東。

CHAIRMAN'S STATEMENT 主席報告

BUSINESS REVIEW

Plasmagene Biosciences Limited (the "Company") and its subsidiaries (collectively the "Group"), established in early 2001, is engaged in the medical business relating to diagnosis of cancerous, prenatal and other major diseases. This involves conducting research and development and commercialisation of testing services with technology developed either from in house or from third parties.

The testing services and products provided by the Group are based on a plasma nucleic acid technology with a number of nucleic acids amplification techniques such as polymerase chain reaction ("PCR"). They involve DNA and RNA extractions and use of real time PCR machines to amplify genetic material products.

Presently, the Group has successfully launched its testing services in cancer field, namely *EBgene*, *EBeasy* and *EBcombo*. They are for the detection of Epstein-Barr virus ("EB virus") associated cancerous diseases including nasopharyngeal cancer and EB virus associated stomach cancers. The successful launch of test kit of *EBgene* is a milestone for the business of the Group.

The registration of test kit of *EBgene* in the United States and the PRC is under way and would pave the way for overseas sales in the future.

The Group continued its research and development for the technology and invention licensed from The Chinese University of Hong Kong (the "Chinese University") and from those developed in house. The tests for pleural effusion and stroke were test marketed to several hundred doctors in late July 2004.

As there was no serious outbreak of SARS during the year, the Group's SARS test did not record any revenue or any marketing effort has been put on it.

A community research programme jointly conducted with Spring Biotech Limited, an indirectly wholly owned subsidiary of Town Health International Holdings Company Limited ("Town Health") consisted of seminars and the offering of the Group's cancer tests to the public free of charge. The programme, even though expired on 30 June 2004, will likely be continued in a limited scale upon further agreement with Spring Biotech Limited.

業務回顧

普施基因生物科技有限公司(「本公司」)及其附屬公司(統稱「本集團」)於2001年初成立，從事有關癌症、先天性及其他主要疾病的診斷的醫療業務。業務範圍包括進行研究與開發，以及將開發自內部或自第三方技術的測試服務商業化。

本集團提供的測試服務及產品乃根據血漿核酸技術及數項核酸擴增技術如聚合酶連鎖反應(PCR)。它們均涉及脫氧核糖核酸及核糖核酸的提取，並使用實時PCR機器以擴增基因物質產品。

目前，本集團已成功推出癌症的測試服務，即*EB準*、*EB易*及*普施組合*。該等測試服務乃為偵查由愛潑斯坦－巴爾病毒(「EB病毒」)引致的癌症如鼻咽癌及EB病毒引致的胃癌。*EB準*測試套裝成功推出乃本集團業務發展的里程碑。

*EB準*測試套裝在美國及中國註冊的事宜正在進行，將有助該產品日後於海外推銷。

本集團繼續就由香港中文大學(「中文大學」)許可使用及開發自內部的技術及發明進行研究及開發。肺積水及中風測試已於2004年7月底向數百位醫生作試驗性推銷。

年內，由於非典型肺炎並無大型爆發，故本集團的非典型肺炎測試並無錄得任何收入，亦並無就該項測試進行任何市場推廣。

與Spring Biotech Limited(康健國際控股有限公司(「康健」)的間接全資附屬公司)攜手進行的一項社區研究計劃包羅講座及向公眾人士免費提供本集團的癌症測試。該計劃已於2004年6月30日結束，惟在與Spring Biotech Limited達成進一步協議後將可能以有限度的規模繼續舉辦。

CHAIRMAN'S STATEMENT 主席報告

FUTURE PLANS AND PROSPECTS

The Group plans to initiate market research for those new products that will be launched as scheduled. For countries outside Hong Kong, the Group continued negotiations with laboratories in Japan and Australia with a view to introducing the Group's existing cancerous testing services and foetal maternal diseases testing services in these countries. As at the date of this report, these negotiations are still at a preliminary stage. Pending on the success of the negotiations and that market research for these new products are favourable, the Group will proceed to launch them to the market.

In the quest for the Food and Drug Administration of the United States (the "FDA") approval of the Group's *EBgene* test kit, a meeting with the FDA was conducted on 21 July 2004. The outcome of the meeting was viewed as positive even though there were still quite a bit more work to be done. The Group has also successfully co-operated with a well known research group in Los Angeles that acts as our testing site in the United States.

The Group has also assigned a special agent for the State Food and Drug Administration of the PRC (the "SFDA") approval of *EBgene* test kit and preliminary contacts have been done and an agreement has been signed. Expectation of a proper filing should be completed within the next six to nine months.

The Group has also started to expand the local market using *EBgene* by embarking on a massive screening scheme that involves the use of *EBgene*. Such a screening scheme will be marketed to major companies and their staff, doctors and other healthcare groups.

未來計劃及展望

本集團計劃就該等將按照既定時間表推出的新產品進行市場調查。至於香港以外的國家，本集團繼續與日本及澳洲的化驗所進行磋商，以藉此向該等國家介紹本集團現有的癌症測試服務及懷孕期人胎疾病測試服務。於本報告日期，該等磋商尚處於初步階段。待有關磋商取得成果及倘就該等新產品進行的市場調查取得正面結果，本集團將會著手於市場上推出該等產品。

就尋求美國食品藥物管理局（「食品藥物管理局」）批准本集團的 *EB* 準測試套裝，本集團已於 2004 年 7 月 21 日與食品藥物管理局舉行會議。會議結果被視為正面，儘管若干相關工作仍有待進行。本集團亦已成功與洛杉磯的一隊知名研究人員合作，作為本集團在美國的測試場所。

本集團亦已就尋求中國國家食品藥品監督管理局（「國家食品藥品管理局」）批准 *EB* 準測試套裝指派一名特別代理，並已就有關申請作初步接觸及簽訂協議。預計將於未來六至九個月內完成提交正式申請。

本集團亦已透過展開涉及使用 *EB* 準的大型普查計劃，以著手擴大使用 *EB* 準的本地市場。該普查計劃將會推廣至主要公司及其僱員、醫生及其他保健集團。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

RESULTS AND DIVIDEND

For the year ended 30 June 2004, the Group recorded a turnover of approximately HK\$1,742,000 (period ended 30 June 2003: approximately HK\$1,088,000) and a net loss attributable to shareholders of approximately HK\$4,234,000 (period ended 30 June 2003: approximately HK\$3,641,000). The basic loss per share was approximately 1.76 HK cents (period ended 30 June 2003: approximately 1.53 HK cents).

The board of directors (the "Board") of the Company does not recommend the payment of a dividend for the year ended 30 June 2004 so as to retain sufficient cash resources to finance the continuing development of the Group's business.

FINANCIAL REVIEW

Pursuant to the corporate reorganisation (the "Reorganisation") of the Group in preparation for the listing of the Company's shares on Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the ultimate holding company of the companies now comprising the Group with effect from 20 September 2002 and the results of subsidiaries are consolidated into the Group since then. Accordingly, the Group's results for the period ended 30 June 2003 only includes the results of the subsidiaries which cover a nine months period ended 30 June 2003.

Turnover of the Group are mainly derived from the cancer diagnostic testing services of *EBgene*, *EBeasy* and *EBcombo* and sales of the test kit of *EBgene*.

Turnover increased from approximately HK\$1,088,000 for the period ended 30 June 2003 to approximately HK\$1,742,000 for the year ended 30 June 2004. Increase in revenue partly contributed by the sales of test kits of *EBgene* of approximately HK\$159,000 which was launched in Hong Kong market in December 2003. Another reason is that a promotional programme was held with Town Health whereby one of the Group's test, *EBeasy*, is offered to doctors of Town Health at a reduced price. The initial period for the promotional programme was from middle of August 2003 to end of December 2003, and it has been re-commenced since middle of February 2004.

The Group's sales less cost of sales represented approximately 28% of turnover for the year ended 30 June 2004 which was approximately at the same level as 30% of turnover for the period ended 30 June 2003.

The Group recorded a net loss of approximately HK\$4,234,000 for the year ended 30 June 2004 (period ended 30 June 2003: approximately HK\$3,641,000).

業績及股息

截至2004年6月30日止年度，本集團的營業額約為1,742,000港元（截至2003年6月30日止期間：約1,088,000港元），股東應佔虧損淨額則約為4,234,000港元（截至2003年6月30日止期間：約3,641,000港元）。每股基本虧損約為1.76港仙（截至2003年6月30日止期間：約1.53港仙）。

本公司董事會（「董事會」）不建議派付截至2004年6月30日止年度的股息，以便保留充裕的現金資源以撥付本集團業務的持續發展所需。

財務回顧

根據本集團為籌備本公司股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市而進行的公司重組（「重組」），本公司成為現時組成本集團的各公司之最終控股公司，由2002年9月20日起生效，而附屬公司自該日起的業績已綜合於本集團的業績。因此，本集團截至2003年6月30日止期間的業績僅涵蓋附屬公司截至2003年6月30日止九個月期間的業績。

本集團的營業額主要來自*EB準*、*EB易*及*普施*組合的癌症診斷測試服務和銷售*EB準*測試套裝。

營業額由截至2003年6月30日止期間約1,088,000港元，增加至截至2004年6月30日止年度約1,742,000港元。增加之收入，部份是來自*EB準*測試套裝的銷售額約159,000港元，該產品於2003年12月在香港市場推出。另一原因是與康健攜手舉辦推廣計劃，以折讓價向康健的醫生提供本集團其中一項測試*EB易*。推廣計劃的初步期限為2003年8月中至2003年12月底，其後由2004年2月中起再度展開。

本集團的銷售額在扣除銷售成本後佔截至2004年6月30日止年度的營業額約28%，與截至2003年6月30日止期間有關數額佔營業額30%相若。

本集團於截至2004年6月30日止年度的虧損淨額約為4,234,000港元（截至2003年6月30日止期間：約3,641,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS DEVELOPMENT

Registration of test kit of *EBgene* to the FDA was made in November 2003 and obtained its approval of humanitarian use device ("HUD") from the FDA in June 2004. The Group is now on its progress for obtaining final marketing approval from the FDA.

The Group commenced preparation for a similar application to the SFDA of the PRC. The Group appointed an agent to handle matters relating to filing and application in September 2004. The directors of the Company (the "Directors") believe that this would pave the way for overseas sales of product if these applications are to be successful.

The Group continued negotiations with major laboratories in Japan and Australia with a view to introducing the Group's existing cancerous testing and foetal maternal diseases testing services. These negotiations were still at a preliminary stage.

PRODUCT LAUNCH

The Group offered its foetal maternal diseases tests free of charge to the public through a seminar in August 2003. These tests will be launched as research use materials for scientists locally and in abroad.

The Group successfully launched its *EBgene* in test kit form in December 2003.

The test for pleural effusion and stroke were test marketed to the doctors on a limited scale in July 2004. A full launch will depend on market research and feedback from doctors.

RESEARCH AND DEVELOPMENT

The Group continued its research to see if the reactivation of EB virus in the human body is correlated to the formation of cancer cells other than EB virus associated cancers like nasopharyngeal cancer, stomach cancer and lymphomas. The research is at its preliminary stage.

Progress had been made in the development of *EBsens*, a newly developed test that incorporates proprietary methodology developed exclusively by the Group that can increase the sensitivity of the *EBgene* by many folds.

Research is also performed in the sub-typing of the EB virus genome which showed that one or two sub-types are statistically more common in the EB virus associated cancers in Hong Kong and elsewhere in the world. The Group had performed a first series of research into the development of *EBonco*, a test that will show the sub-types of the circulating EB virus genomes in patients that are chronically reactivating the virus. The use of *EBonco* may have the ability to predict which segment of the population is more prone to develop EB virus associated cancers such as nasopharyngeal cancer, EB virus associated stomach cancers and lymphomas.

業務發展

向食品藥物管理局申請將*EB*準測試套裝註冊已於2003年11月展開，並於2004年6月獲得食品藥物管理局批准作為humanitarian use device (「HUD」)。本集團現正等候食品藥物管理局就有關產品的市場推廣作最後審批。

本集團已開始籌備向中國國家食品藥品管理局提交類似申請。本集團已於2004年9月委任一名代理處理有關遞交申請的事宜。本公司董事(「董事」)相信，倘有關申請獲成功審批，將有助該產品於海外推銷。

本集團繼續與日本及澳洲的主要化驗所進行磋商，以便向有關國家介紹本集團現有的癌症測試及懷孕期人胎疾病測試服務。該等磋商尚處於初步階段。

產品推出

本集團於2003年8月透過講座向公眾人士免費提供懷孕期人胎疾病測試。該等測試將會推出作為供本地及海外科學家用於研究的物料。

本集團已於2003年12月成功以測試套裝形式推出*EB*準。

肺積水及中風測試於2004年7月向醫生作有限規模的試驗性市場推廣，並將視乎市場調查及醫生的反應以決定是否作全面推出。

研究與開發

本集團繼續進行研究，以找出EB病毒於人體內再度活躍是否與癌細胞形成有關(EB病毒引致的癌症如鼻咽癌、胃癌及淋巴瘤除外)。研究尚處於初步階段。

*EBsens*的開發已取得進展。*EBsens*乃一項新發展的測試，藉結合由本集團獨家開發的專利方法，可令*EB*準測試敏感度較現有的倍增。

對EB病毒基因組進行的次類型的研究，顯示統計數據發現香港及其他地區由一種或兩種次類型EB病毒引致的癌症較常見。本集團已進行開發*EBonco*的首個系列研究，*EBonco*產品將顯示病人體內循環EB病毒基因組的次類型，可慢性再活化病毒。使用*EBonco*或有能力預測哪一類人口較容易發展出EB病毒引致的癌症，例如鼻咽癌、EB病毒引致的胃癌及淋巴瘤。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

SALES AND MARKETING

The Group has continued its efforts on promoting its existing and new cancer and new foetal maternal diseases testing services by introducing it to the public and the medical community. The Group offered its cancerous and pre-launch tests (including foetal maternal diseases tests) free of charge to the public through seminar. This will help to let the community doctors to use and understand the Group's testing services before they are launched.

The test kit of *EBgene* was developed in November 2003 and was marketed to a few local hospitals with available PCR machines with sales of approximately HK\$159,000 for the year ended 30 June 2004.

PROSPECTS AND FUTURE PLANS

The Group is also seeking complimentary technologies that have market potential which may increase the business opportunities of the Group's products at the same time.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2004, the Group held cash and bank balances of approximately HK\$39,093,000 (2003: approximately HK\$18,374,000). Net current assets amounted to approximately HK\$38,632,000 (2003: approximately HK\$20,086,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 32.5 times (2003: approximately 4.38 times).

The Group had no bank borrowing as at 30 June 2004 (2003: Nil).

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 18 June 2004 (the "Listing Date"). There has been no change in the capital structure of the Company since the Company's Listing Date. Up to the year ended 30 June 2004, the Group's net assets were financed by share capital and convertible notes. Total equity attributable to shareholders as at 30 June 2004 was approximately HK\$28,697,000 (2003: approximately HK\$4,097,000).

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and United States dollars. As at 30 June 2004, the Group had no significant exposure of foreign exchange and interest rate risks.

SIGNIFICANT INVESTMENT

Subsequent to 30 June 2004, surplus cash of approximately HK\$7,846,000 was invested in five-year treasury notes of United States with interest rate of 4% per annum.

銷售及市場推廣

本集團繼續致力向公眾人士及醫療界介紹其現有及新癌症及新懷孕期人胎疾病測試服務，藉此推廣該等服務。本集團透過講座向公眾人士免費提供其癌症及推出前測試(包括懷孕期人胎疾病測試)。這將有助本集團的測試服務在推出市場前，讓社區醫生使用及了解本集團的測試服務。

*EB*準測試套裝已於2003年11月開發，並已向數家設有PCR機器的本地醫院推銷，於截至2004年6月30日止年度錄得銷售額約159,000港元。

展望及未來計劃

本集團亦尋求具市場潛力並同時可能增加本集團產品的商機的互補技術。

流動資金及財務資源

於2004年6月30日，本集團的現金及銀行結餘約為39,093,000港元(2003年：約18,374,000港元)。流動資產淨值約為38,632,000港元(2003年：約20,086,000港元)。流動比率(界定為總流動資產除以總流動負債)約為32.5倍(2003年：約4.38倍)。

於2004年6月30日，本集團並無銀行借款(2003年：無)。

資本結構

本公司股份於2004年6月18日(「上市日期」)在聯交所創業板上市。本公司的資本結構自本公司上市之日期起並無變動。截至2004年6月30日止年度，本集團的資產淨值乃以股本及可換股票據支付。於2004年6月30日，股東應佔股本總額約為28,697,000港元(2003年：約4,097,000港元)。

本集團的大部份買賣交易、資產與負債均以港元及美元計值。於2004年6月30日，本集團並無重大外匯及利率風險。

重大投資

於2004年6月30日後，現金盈餘約7,846,000港元已投資於五年期美國國庫票據，年息率為4厘。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

SEGMENT INFORMATION

The Group principally engaged in two business segments, one is the provision of diagnostic testing services and the other is research and development.

Currently, the Group conducts its business in Hong Kong only.

EMPLOYEE INFORMATION

A breakdown of the number of staff of the Group by responsibilities as at 30 June 2004 and 2003 is set out below:

		2004 2004年	2003 2003年
Management	管理層	2	2
Sales and marketing	銷售及市場推廣	3	3
Research and development (including implementation of laboratory for the provision of the Group's testing services)	研究與開發 (包括為提供本集團的測試服務而進行化驗)	3	3
Administration and finance	行政及財務	4	3
		12	11

All the employees are stationed in Hong Kong.

The Group remunerates its employees based on industry's practices and individual's performance and experience. On top of regular remuneration, share options may be granted to eligible staff under the share option scheme adopted by the Company on 20 April 2004 by reference to the Group's performance as well as individual's performance.

The Group maintains good relationship with its staff and there has not been any labour disputes since incorporation. In addition to their basic salaries, employees also enjoy mandatory provident fund and other fringe benefits.

The total staff costs, including Directors' emoluments, amounted to approximately HK\$2,040,000 for the year ended 30 June 2004 (period ended 30 June 2003: approximately HK\$1,761,000).

分部資料

本集團主要從事兩個業務分部，分別為提供診斷測試服務及研究與開發。

目前，本集團僅在香港經營其業務。

僱員資料

於2004年及2003年6月30日，以職務劃分的本集團員工數目如下：

所有僱員均長駐香港。

本集團僱員的薪酬乃根據行業慣例及僱員表現與經驗而釐定。除固定薪酬外，本公司已於2004年4月20日採納購股權計劃，據此按照本集團的表現及僱員表現向合資格員工授予購股權。

本集團向來與員工保持良好關係，且自註冊成立日起並無發生任何勞資糾紛。除基本薪金外，僱員亦享有強制性公積金及其他福利。

截至2004年6月30日止年度的總員工成本(包括董事酬金)約為2,040,000港元(截至2003年6月30日止期間：約1,761,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

PLEDGE OF ASSETS

The non-interest bearing convertible notes (the "Convertible Notes") issued by the Company in December 2002 were secured by a pledge of the shares of Plasmagene Limited (an indirectly wholly owned subsidiary) and intellectual properties of the Group, personal guarantees executed by Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret, and corporate guarantees executed by the Group.

The redemption of the Convertible Notes, the pledge of assets, personal and corporate guarantees described above ceased to be of any effect since the listing of the Company on GEM of the Stock Exchange.

Details of Convertible Notes are set out in note 21 to the financial statements.

CONTINGENT LIABILITIES

As at 30 June 2004, the Group had no significant contingent liabilities.

資產抵押

本公司於2002年12月發行的非計息可換股票據(「可換股票據」)乃以普施基因有限公司(為間接全資附屬公司)股份及本集團知識產權的抵押、楊華顯醫生及楊徐美玲女士簽立的個人擔保及本集團簽立的公司擔保作抵押。

可換股票據的贖回、資產抵押、上述的個人及公司擔保將由本公司於聯交所創業板上市當日起不再具效力。

有關可換股票據的詳情載於財務報表附註21。

或然負債

於2004年6月30日，本集團並無重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares on its listing on the GEM of the Stock Exchange was HK\$32 million. The listing expenses were increased from HK\$8 million as stated in the prospectus of the Company issued on 8 June 2004 to approximately HK\$9.6 million. The net proceeds from listing is approximately HK\$22.4 million. It was mainly due to increase in professional fees and printing costs. The use of proceeds for the period from 3 June 2004 (being the latest practicable date prior to the printing of the prospectus of the Company (the "Latest Practicable Date")) to 30 June 2004 are as follows:

本公司首次公開發售股份的所得款項用途

本公司於聯交所創業板上市時發行新股份所得的款項為32,000,000港元。上市開支由本公司於2004年6月8日發出的招股章程所載的8,000,000港元，增加至約9,600,000港元。上市所得之款項淨額約22,400,000港元。上市開支增加主要由於專業人士費用及印刷成本增加所致。由2004年6月3日（即本公司招股章程付印前的最後可行日期（「最後可行日期」））起至2004年6月30日止期間，所得款項已撥作以下用途：

			Planned	Actual
		<i>Notes</i>	擬定	實際
		<i>附註</i>	HK\$	(約數)
			港元	HK\$
				港元
Patent expenditures	專利開支	a	140,000	213,000
Product marketing	產品推廣	b	20,000	49,000
Compliance requirements	監察規定	c	20,000	—
Research and development (including salaries and material costs)	研究與開發 (包括薪金及物料成本)	d	20,000	15,000
			200,000	277,000

Notes:

- a. Increase in patent expenditures mainly due to costs of patents applications and prosecutions are higher than expected.
- b. Included in the HK\$49,000 for product marketing was an amount of approximately HK\$37,000 related to an exhibition booth displayed in Budapest, Hungary in June 2004 for promotion of Group's products.
- c. Registrations of the Group's products are under way and expenses in compliance requirements have not been incurred as expected.
- d. There was no material difference.

附註：

- a. 專利開支增加主要由於專利申請及起訴成本較預計為高所致。
- b. 產品推廣項下的49,000港元當中包括與於2004年6月在匈牙利布達佩斯為推廣本集團產品而展出的展覽攤位有關約37,000港元。
- c. 本集團產品申請註冊的事宜已在進行，而監管規定的開支並未如預計產生。
- d. 兩者並無重大差異。

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

The following is a comparison of actual business progress for the period from the Latest Practicable Date to 30 June 2004 (the "Review Period") and the business objective for the same period as set out in the prospectus of the Company dated 8 June 2004 (the "Prospectus").

Business objectives for the Review Period as set out in the Prospectus:

招股章程所載於回顧期間的業務目標：

Strategic development

策略發展

Seek opportunities from SARS test

從非典型肺炎測試尋求商機

Planning of worldwide campaign of test for Down's syndrome

計劃在全球展開唐氏綜合症測試的宣傳活動

Research and product development

研究及產品開發

Complete field testing and community research of the test for liver cancer

完成在肝癌測試方面的現場試驗及社區研究

Continue laboratory and clinical testing of the test for prostate cancer and *EBonco*

繼續就前列腺癌測試及*EBonco*進行化驗及臨床試驗

Complete laboratory and clinical testing for the screening test for cancer and *EBsense*

完成在癌症普查測試及*EBsens*方面的化驗及臨床試驗

Continue the refinement of the test for Down's syndrome

繼續改善唐氏綜合症測試

下表為由最後可行日期起至2004年6月30日止期間(「回顧期間」)的實際業務進展與本公司日期為2004年6月8日的招股章程(「招股章程」)所載的同期業務目標的比較。

Actual business progress in the Review Period:

回顧期間內的實際業務進展：

Due to non-recurrence of SARS in Hong Kong and very limited scale of SARS cases in the PRC, the Group did not launch its SARS test

由於非典型肺炎並無在香港重現，而在中國亦僅出現零星的非典型肺炎個案，故本集團並無推出非典型肺炎測試

Initial contacts were made for the research testing of Down's syndrome using the Group's fetal hormone RNA kits

已就使用本集團的胎盤賀爾蒙核糖核酸套裝為唐氏綜合症進行研究測試作初步接觸

Field test and community research in the initial stage was near completion. It now needs statistical analysis to see if the test is valuable for a commercial launch

初步的實地測試及社區研究已接近完成。現正需要數據分析以決定該測試是否值得作商業推出

Laboratory and clinical test is still in progress, no significant change during these 27 days

化驗及臨床試驗尚在進行，於該27日內並無重大改變

Laboratory and clinical test is still in progress, no significant change in the last 27 days

化驗及臨床試驗尚在進行，於過去27日內並無重大改變

Refinement of the test is still in progress, no significant change during these 27 days

改善測試的工作尚在進行，於該27日內並無重大改變

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Sales and marketing

銷售及市場推廣

Launch of SARS test to government agencies in Hong Kong and the PRC if there is a SARS reoccurrence

倘非典型肺炎重現，在香港及中國向政府機構推銷非典型肺炎測試

Due to non-recurrence of SARS in Hong Kong and very limited scale of SARS cases in the PRC, the Group did not launch its SARS test

由於非典型肺炎並無在香港重現，而在中國亦僅出現零星的非典型肺炎個案，故本集團並無推出非典型肺炎測試

BOARD OF DIRECTORS, CONSULTANT AND SENIOR MANAGEMENT

董事會、顧問及高級管理層

EXECUTIVE DIRECTORS

Dr. Yeung Wah Hin, Alex, aged 57, is the Chairman and the Chief Executive Officer of the Company as well as the founder of the Group. Dr. Yeung graduated from the University of Hong Kong in June 1970 and holds a bachelor degree in medicine and surgery. He continued his post-graduate medical training at the University of Southern Florida in the United States from 1971 to 1974. Following his tumour immunology fellowship training at The Public Hospital, University of California, the United States between 1975 and 1976, he worked as medical director for several years, specialising in the field of clinical immunology before moving into private practice in Irvine, California, the United States. From 1987 to 1995, Dr. Yeung served as the medical director for a Hong Kong company and a United States company. In 1996, Dr. Yeung was the biotechnology consultant to a consortium of investors in Asia relating to an investment in a company that produced an anti-cancer drug. Since 1999, Dr. Yeung had advised in the capacity as a director of a Hong Kong company on the establishment and management of a cyclotron and PET scanning facility at two private hospitals in Hong Kong. Dr. Yeung founded the Group in January 2001 and now is responsible for directing the Group's overall business, research and development strategies. Dr. Yeung together with Mrs. Yeung Tsui Mai Ling, Margaret (spouse of Dr. Yeung and also a Director) has been the substantial and initial management shareholders of the Company.

Mr. Cheng Yan Tak, Angus Ronald, aged 43, is the chief financial officer and compliance officer of the Group. Mr. Cheng graduated from the Chinese University with bachelor degree in business administration. Mr. Cheng has extensive experience in international investments and has held various positions in international financial institutions. Mr. Cheng is responsible for overseeing the Group's financial management. Mr. Cheng joined the Group on 15 July 2002 and has an indirect shareholding interest in the Group through Vanbarry Corporation. Mr. Cheng has been one of the initial management shareholders of the Company.

Mr. Cho Kam Luk, aged 69, is an executive director of Town Health, a company listed on the GEM and the father of Dr. Cho Kwai Chee, the Chief Executive Officer of Town Health. Mr. Cho has over 40 years of experience in interior design, decoration and general management. Mr. Cho's experience as a director of a medical company strengthens the Group's business knowledge on the clinical aspects of the Group's products and services. Mr. Cho's advice plays an important role in the practical interactions of the Group's products with the physicians. Mr. Cho has also actively participated in community activities and is currently serving as a director of Hong Kong Commerce and Industry Associations Limited, a treasurer of Hong Kong Shatin Industries and Commerce Association Limited, a consultant to Shatin Junior Police Call Farm and the vice-chairman of Shatin Livelihood Concern Group. Mr. Cho joined the Group on 8 August 2002. Town Health has been one of the initial management shareholders of the Company.

執行董事

楊華顯醫生，57歲，本公司主席兼行政總裁，亦為本集團創辦人。楊醫生於1970年6月畢業於香港大學，持有內外全科醫學士學位。彼於1971至1974年期間在美國南佛羅里達州大學繼續深造醫學。在美國加利福尼亞州大學公營醫院完成腫瘤免疫科院士訓練(1975年至1976年)後，彼曾擔任醫務總監多年，專門從事臨床免疫學研究工作，繼而在美國加利福尼亞州Irvine私人執業。1987年至1995年間，楊醫生一直擔任一間香港公司及一間美國公司的醫務總監。1996年，楊醫生就一間生產抗癌藥物的公司的一項投資擔任亞洲投資者財團的生物科技顧問。自1999年起，楊醫生以一間香港公司董事身份，就位於香港的兩間私家醫院設立及管理迴旋加速器及PET掃描設施提供意見。楊醫生於2001年1月創辦本集團，現負責統籌本集團整體業務、研究及發展策略。楊醫生連同其配偶楊徐美玲女士(亦為董事)為本公司主要股東及上市時管理層股東。

鄭恩德先生，43歲，本集團財務總監兼監察主任。鄭先生畢業於中文大學，持有工商管理學士學位。彼具有豐富的國際投資經驗，曾在多間國際金融機構擔任不同職位。鄭先生負責掌管本公司的財務管理。鄭先生於2002年7月15日加盟本集團，並通過Vanbarry Corporation於本集團持有間接股權。鄭先生為本公司上市時管理層股東之一。

曹金陸先生，69歲，康健執行董事(為創業板上市公司)及康健行政總裁曹貴子醫生的父親。曹先生擁有逾40年室內設計及裝修和一般管理經驗。曹先生在一家醫療公司擔任董事的經驗，可加強本集團對本集團產品及服務在診療所方面的業務知識。彼提供的意見在本集團產品與醫生的實務交流起著重要作用。曹先生亦積極參與社區活動，目前擔任全港各區工商聯有限公司董事、香港沙田工商業聯合會有限公司司庫、沙田少年警訊農莊顧問及沙田民生關注組副主席。曹先生於2002年8月8日加盟本集團。康健乃本公司上市時管理層股東之一。

BOARD OF DIRECTORS, CONSULTANT AND SENIOR MANAGEMENT

董事會、顧問及高級管理層

Mrs. Yeung Tsui Mai Ling, Margaret, aged 47, is the wife of Dr. Yeung. Mrs. Yeung has over fourteen years of experience in the medical business. Mrs. Yeung is responsible for the marketing and administration of the Group. Mrs. Yeung has also been actively involved in charity activities in Hong Kong. Mrs. Yeung joined the Group on 22 August 2002. Mrs. Yeung together with Dr. Yeung (spouse of Mrs. Yeung and also a Director) has been the substantial and initial management shareholders of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Lau Kam Shan, aged 49, has been engaged in the business of retail clothing in the PRC and the export of fabric from the PRC to the United States. Mr. Lau has extensive experience in textile business and general trading and is currently a director of Yi Feng Enterprises Limited. Mr. Lau was appointed as non-executive Director on 8 August 2002.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngan Man Wong, Matthew, aged 64, obtained an honours degree in medicine and surgery from the University of New South Wales in Australia in February 1972 and a diploma in diagnostic radiology from Sydney University of Australia in February 1999. Dr. Ngan has been a registered specialist radiologist in Australia for the past 20 years and is the chief executive officer of Sonic Healthcare Asia Limited. Dr. Ngan was appointed as an independent non-executive Director on 8 August 2002.

Professor Chung Sheung Chee, Sydney, aged 49, obtained various qualifications including MB BCh., BAO(N.U.I.), MD(CUHK), FRCSEd., FRCSGlas., FRCPEd, LRCP&SI, FHKAM(Surgery) and FCSHK. Professor Chung has extensive experience in healthcare industry and held a number of senior positions with various professional organisations. He was the Dean of the Faculty of Medicine and professor of surgery of the Chinese University of Hong Kong until 30 June 2004 and was the director of Endoscopy Centre of the Prince of Wales Hospital until 30 September 2003. Professor Chung was appointed as an independent non-executive Director from 8 August 2002. Professor Chung resigned as Director on 2 July 2004 to pursue his new career.

Dr. Loh Kai Tsu, Kevin, aged 58, graduated from the medical school of the University of Hong Kong and holds the bachelor of medicine and bachelor of surgery. Dr. Loh is now a member of Medical Council of Hong Kong in Hong Kong and American Society of Clinical Oncology in the United States. Since 1987, Dr. Loh has served as the medical director for Cancer Institute of Queen's Medical Centre in Honolulu, Hawaii, the United States. Following his medical oncology and haematology fellowship training at the M.D. Anderson Hospital & Tumor Institute of the University of Texas at Houston, the United States during the period from 1 July 1972 to 31 December 1974, Dr. Loh worked as an associate director of Cancer Research Centre of Hawaii, Honolulu, Hawaii, the United States. Dr. Loh was appointed as an independent non-executive Director on 8 August 2002.

楊徐美玲女士，47歲，為楊醫生的妻子。楊女士在醫療業累積逾14年經驗，彼負責本集團的市場推廣及行政事宜。楊女士亦熱心參與香港的慈善活動。楊女士於2002年8月22日加盟本集團。楊女士連同其配偶楊醫生（亦為董事）為本公司主要股東及上市時管理層股東。

非執行董事

劉金山先生，49歲，於中國從事成衣零售業務及向美國出口中國布料，並具有廣泛的紡織業及一般貿易經驗。劉先生現為Yi Feng Enterprises Limited的董事。劉先生於2002年8月8日獲委任為非執行董事。

獨立非執行董事

顏文煌醫生，64歲，於1972年2月取得澳洲新南威爾士大學內外全科（榮譽）學位及於1999年2月獲澳洲悉尼大學診斷放射科文憑。過去20年，顏醫生為澳洲註冊放射科專科醫生兼Sonic Healthcare Asia Limited行政總裁。顏醫生於2002年8月8日獲委任為獨立非執行董事。

鍾尚志教授，49歲，取得多項專業資格，包括MB BCh., BAO(N.U.I.), MD(CUHK), FRCSEd., FRCSGlas., FRCPEd, LRCP&SI, FHKAM(Surgery)及FCSHK。鍾教授於醫護行業擁有廣泛的經驗，曾在不同專業機構擔任多個高級職位。彼為香港中文大學醫學院院長兼外科教授，直至2004年6月30日止，並曾任威爾斯親王醫院內窺鏡測試中心主管，直至2003年9月30日止。鍾教授於2002年8月8日獲委任為獨立非執行董事。鍾教授於2004年7月2日辭去董事職務以開展新事業。

陸凱祖醫生，58歲，畢業於香港大學醫學院，持有內外全科醫學士學位。陸醫生現為香港醫務委員會及美國臨床腫瘤科學會兩個專業醫學協會的會員。自1987年起，陸醫生一直擔任美國夏威夷檀香山Cancer Institute of Queen's Medical Centre醫務總監。陸醫生於1972年7月1日至1974年12月31日期間在美國休斯敦M.D. Anderson Hospital及得克薩斯州大學腫瘤研究所接受內科腫瘤科及血科院士訓練後，曾在美國夏威夷檀香山Cancer Research Centre of Hawaii工作，擔任副總監一職。陸醫生於2002年8月8日獲委任為獨立非執行董事。

BOARD OF DIRECTORS, CONSULTANT AND SENIOR MANAGEMENT

董事會、顧問及高級管理層

Mr. Chan Siu Wing, Raymond, aged 39, obtained a bachelor degree in economics from University of Sydney and is qualified as a certified practicing accountant in Australia and Macau. Mr. Chan is also an associate member of the Hong Kong Institute of Certified Public Accountants and a full member of the Hong Kong Securities Institute. He has extensive experience in accounting, tax and business advisory. Mr. Chan was appointed as an independent non-executive director on 9 March 2004.

SCIENTIFIC CONSULTANT DESIGNATED BY THE CHINESE UNIVERSITY OF HONG KONG (THE "CHINESE UNIVERSITY")

Professor Lo Yuk Ming, Dennis, age 40, is a professor at the Department of Chemical Pathology of the Chinese University. Professor Lo obtained various qualifications including MA(Cantab), DM(Oxon), DPhil(Oxon), BM BCh(Oxon), MRCP(UK) and MRCPPath(UK). Professor Lo's main research interests lie in the clinical applications of molecular biology. In 1997, Professor Lo who was previously at Oxford University in the United Kingdom, discovered that soluble foetal DNA can be detected in the maternal blood plasma or serum and which can be used in a non-invasive manner to detect prenatal diseases. This formed one of the earliest patent licensed to the Group. Pursuant to a consultancy agreement entered into between Plasmagene Limited (an indirectly wholly owned subsidiary of the Group) and the Chinese University, Professor Lo is the Chinese University's designated consultant to advise Plasmagene Limited. Such advice cover the establishment of laboratory to conduct research on diagnostic testing services including providing assistance in the training of appropriate laboratory personnel as well as advising on the maintenance of the system in the laboratory.

SENIOR MANAGEMENT

Ms. Wong Suet Sum, aged 35, joined the Group in August 2001 as the administration manager of the Group. She was an administration officer of Healthcare organisation during the period from December 1999 to August 2001.

Ms. Leung Kwan Yu, aged 34, is the financial controller, the company secretary and the qualified accountant of the Company who is responsible for the financial and accounting management and secretarial affairs of the Group. Ms. Leung graduated from City University of Hong Kong with a bachelor of degree in accountancy. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, the United Kingdom. Ms. Leung joined the Group in July 2002.

陳兆榮先生，39歲，於悉尼大學取得經濟學士學位，並在澳洲及澳門取得註冊執業會計師資格。陳先生亦為香港會計師公會會員及香港證券專業學會會員。彼於會計、稅務及業務諮詢方面具廣泛經驗。陳先生於2004年3月9日獲委任為獨立非執行董事。

香港中文大學（「中文大學」）指派的科學顧問

盧煜明教授，40歲，中文大學化學病理學系教授。盧教授取得多項專業資格，包括MA(Cantab), DM(Oxon), DPhil(Oxon), BM BCh(Oxon), MRCP(UK)及MRCPPath(UK)。盧教授主要從事分子生物學的臨床應用研究。1997年，先前曾任職英國牛津大學的盧教授發現母體血漿或血清中能偵查出可溶性人胎DNA，可以非創傷性方式用於偵查先天性疾病。這成為本集團其中一項最早獲許可的專利。根據普施基因有限公司（為本集團之間接全資附屬公司）與中文大學訂立的顧問協議，盧教授擔任中文大學指派予普施基因有限公司的顧問，並就成立化驗所以就診斷測試服務進行研究，包括協助訓練適當的化驗師及就化驗所的系统保養提供意見。

高級管理層

黃雪心女士，35歲，於2001年8月加盟本集團任行政經理。於1999年12月至2001年8月期間曾擔任保健機構的行政主任。

梁郡如女士，34歲，本公司財務總監、公司秘書兼合資格會計師，負責本集團的財務與賬目管理及秘書事務。彼於香港城市大學畢業，持有會計學學士學位。梁女士為香港會計師公會會員及英國特許公認會計師公會資深會員。梁女士於2002年7月加盟本集團。

REPORT OF THE DIRECTORS 董事會報告

The Directors present their annual report and the audited financial statements for the year ended 30 June 2004.

GROUP REORGANISATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 27 June 2002 under the Companies Law (2003 Revision) of Cayman Islands as an exempted company with limited liability. Pursuant to the corporate reorganisation (the "Reorganisation") of the Group in preparation for the listing of the Company's shares on GEM of the Stock Exchange, the Company became the ultimate holding company of the companies now comprising the Group. The Company's shares were listed on GEM of the Stock Exchange on 18 June 2004.

Details of the Reorganisation and the basis of preparation of the financial statements are set out in Appendix V of the Prospectus and note 1 to the financial statements.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 14 to the financial statements.

An analysis of the Group's operations for the year by business activities is set out in note 32 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the audited consolidated income statement on page 36 of this annual report.

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2004.

RESERVES

Movements in the reserves of the Group and Company during the year are set out in the consolidated statement of changes in equity and note 24 to the financial statements on pages 39 and 69 respectively of this annual report.

DONATIONS

The Group has not made charitable and other donations during the year.

PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group are set out in note 13 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries are set out in note 14 to the financial statements.

董事會欣然提呈彼等的年度報告及截至2004年6月30日止年度的經審核財務報表。

集團重組及編製基準

本公司於2002年6月27日根據開曼群島公司法(2003年修訂本)在開曼群島註冊成立為受豁免有限公司。根據本集團為籌備本公司股份於聯交所創業板上市而進行的公司重組(「重組」)，本公司成為現時組成本集團的各公司的最終控股公司。本公司股份於2004年6月18日在聯交所創業板上市。

有關重組及財務報表的編製基準詳情載於招股章程附錄五及財務報表附註1。

主要業務及經營業務分部分析

本公司的主要業務為投資控股。附屬公司的業務載於財務報表附註14。

本集團於本年度按業務分類的經營業務分析載於財務報表附註32。

業績及調撥

本集團本年度的業績載於本年報第36頁的經審核綜合收益表。

董事不建議派付截至2004年6月30日止年度的股息。

儲備

本集團及本公司年內儲備變動的詳情分別載於本年報第39頁的綜合權益變動表及第69頁的財務報表附註24。

捐款

本集團於年內並無作出慈善及其他捐款。

廠房及設備

本集團廠房及設備變動的詳情載於財務報表附註13。

附屬公司

本公司附屬公司的詳情載於財務報表附註14。

REPORT OF THE DIRECTORS 董事會報告

SHARE CAPITAL

Details of the movements in share capital of the Group and Company are set out in note 23 to the financial statements.

CONVERTIBLE NOTES

The Company issued the Convertible Notes in an aggregate principal amount of HK\$21.5 million in December 2002. The Convertible Notes shall be converted into shares of the Company in three stages: (1) the conversion of 30% of the aggregate nominal value of the Convertible Notes into 25,800,000 ordinary shares prior to the Listing Date; (2) the conversion of 40% of the aggregate nominal value of the Convertible Notes into 34,400,000 ordinary shares on the date falling six months after the Listing Date; and (3) the conversion of 30% of the aggregate nominal value of the Convertible Notes into 25,800,000 ordinary shares on the date falling twelve months after the Listing Date. On the basis of no share consolidation or sub-division, conversion price was fixed at HK\$0.25 per share which is 50% of the share price in the Company's initial public offer.

The first conversion was taken place on 17 June 2004 and an aggregate of 25,800,000 ordinary shares of the Company were issued and allotted to respective holders of the Convertible Notes.

Further details of the Convertible Notes are set out in the Prospectus and note 21 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last three financial years is set out on page 88 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Saved as disclosed in note 1 to the financial statements relating to the Reorganisation, neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the year.

股本

本集團及本公司股本變動的詳情載於財務報表附註23。

可換股票據

本公司於2002年12月發行本金總額21,500,000港元的可換股票據。可換股票據可按下列三個階段轉換為本公司股份：(1) 可換股票據的總面值30%可於上市日期前轉換為25,800,000股普通股股份；(2) 可換股票據的總面值40%可於上市日期後滿六個月當日轉換為34,400,000股普通股股份；及(3) 可換股票據的總面值30%可於上市日期後滿一年當日轉換為25,800,000股普通股股份。按並無股份合併或拆細的基準，換股價定為每股股份0.25港元，該價格為本公司首次公開發售的股份價格的50%。

第一次換股已於2004年6月17日進行，本公司就此而發行合共25,800,000股普通股股份並配發予各可換股票據持有人。

有關可換股票據的進一步詳情載於招股章程及財務報表附註21。

優先購股權

本公司的組織章程細則及開曼群島法例並無涉及優先購股權的條文，規定本公司必須按比例向現有股東發售新股份。

財務概要

本集團過去三個財政年度的業績及資產與負債概要載於本年報第88頁。

購買、出售或贖回股份

本公司於年內並無贖回其任何股份。除如財務報表附註1所披露有關重組外，本公司及其任何附屬公司於年內概無購買或出售任何本公司股份。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTIONS

Share option scheme (the "Share Option Scheme") was adopted by the then shareholders of the Company on 20 April 2004. Details of the Share Option Scheme are set out in note 30(a) to the financial statements.

Pursuant to an agreement entered into by the Company with the Chinese University 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, as amended and supplemented by agreements dated 31 October 2003 and 16 April 2004 (the "Right of First Refusal Agreement"), share options would be granted to the Chinese University over the period of the term of such agreements of four years commencing from 18 June 2004. Details of the agreements are set out in note 30(b) to the financial statements.

No options under the Share Option Scheme or the Right of First Refusal Agreement were granted during the year ended 30 June 2004.

DIRECTORS

The Directors during the year and up to the date of this report were:

Dr. Yeung Wah Hin, Alex
(appointed on 27 June 2002)

Mr. Cheng Yan Tak, Angus Ronald
(appointed on 8 August 2002)

Mr. Cho Kam Luk
(appointed on 8 August 2002)

Mrs. Yeung Tsui Mai Ling, Margaret
(appointed on 22 August 2002)

Mr. Lau Kam Shan *
(appointed on 8 August 2002)

Dr. Ngan Man Wong, Matthew **
(appointed on 8 August 2002)

Professor Chung Sheung Chee, Sydney **
(appointed on 8 August 2002 and resigned on 2 July 2004)

Dr. Loh Kai Tsu, Kevin **
(appointed on 8 August 2002)

Mr. Chan Siu Wing, Raymond **
(appointed on 9 March 2004)

* Non-executive Director

** Independent non-executive Directors

購股權

於2004年4月20日，本公司當時的股東已採納購股權計劃（「購股權計劃」）。購股權計劃的詳情載於財務報表附註30(a)。

根據本公司與中文大學於2002年8月8日訂立有關中文大學授予本公司優先購買若干技術及發明的權利的協議（經日期為2003年10月31日及2004年4月16日的協議修改及補充）（「優先購買權協議」），中文大學將於由2004年6月18日起計的該等協議的四年期內獲授購股權。該等協議的詳情載於財務報表附註30(b)。

於截至2004年6月30日止年度內，並無根據購股權計劃或優先購買權協議授出購股權。

董事

本年度內及直至本報告日期的董事芳名如下：

楊華顯醫生
(於2002年6月27日獲委任)

鄭恩德先生
(於2002年8月8日獲委任)

曹金陸先生
(於2002年8月8日獲委任)

楊徐美玲女士
(於2002年8月22日獲委任)

劉金山先生*
(於2002年8月8日獲委任)

顏文煌醫生**
(於2002年8月8日獲委任)

鍾尚志教授**
(於2002年8月8日獲委任及
於2004年7月2日辭任)

陸凱祖醫生**
(於2002年8月8日獲委任)

陳兆榮先生**
(於2004年3月9日獲委任)

* 非執行董事

** 獨立非執行董事

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS (Continued)

In accordance with Article 112 of the Company's Articles of Association, one-third of the Directors for the time being, other than a Director holding office as managing Director, shall retire at each annual general meeting and shall then be eligible for re-election at the meeting.

Accordingly, Dr. Ngan Man Wong, Matthew and Mr. Lau Kam Shan will retire at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

The Company has received written confirmations from all independent non-executive Directors pursuant to Rule 5.09 of the Rules Governing the Listing of Securities in the GEM of the Stock Exchange (the "GEM Listing Rule") and therefore considers all independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Dr. Yeung Wah Hin, Alex has entered into a service contract with the Company with a term of 3 years commencing on the Listing Date and shall continue thereafter until terminated by either party giving to the other not less than three months' prior written notice. Each of other executive Directors namely, Mr. Cheng Yan Tak, Angus Ronald, Mr. Cho Kam Luk and Mrs. Yeung Tsui Mai Ling, Margaret has entered into a service contract with the Company with a term of 2 years commencing on the Listing Date and shall continue thereafter until terminated by either party giving to the other not less than three months' prior written notice.

Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company with effect from the Listing Date until the Company's annual general meeting in 2005.

Save as disclosed above, no Director for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事 (續)

按照本公司組織章程細則第112條，於本公司每年的股東週年大會上，三分之一在任董事(不包括出任董事總經理的董事)須輪值告退，並符合資格在大會上膺選連任。

因此，顏文煌醫生及劉金山先生將於應屆股東週年大會上退任，惟彼等符合資格並願意膺選連任。

本公司已根據聯交所創業板證券上市規則(「創業板上市規則」)第5.09條接獲所有獨立非執行董事的書面確認，並因此認為所有獨立非執行董事均為獨立人士。

董事的服務合約

楊華顯醫生已與本公司訂立由上市日期起計為期三年的服務合約，並將繼續有效，直至任何一方向另一方發出不少於三個月的事前書面通知予以終止為止。其餘各執行董事，即鄭恩德先生、曹金陸先生及楊徐美玲女士已與本公司訂立由上市日期起計為期兩年的服務合約，並將繼續有效，直至任何一方向另一方發出不少於三個月的事前書面通知予以終止為止。

各非執行董事及獨立非執行董事已與本公司訂立服務合約，由上市日期起生效，直至本公司於2005年舉行的股東週年大會為止。

除上文所披露者外，擬於應屆股東週年大會上膺選連任的董事並無與本公司訂立不可由本公司於一年內終止而毋須作出賠償(法定賠償除外)的服務合約。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2004, the interests of the directors and chief executive of the Company in the shares and underlying shares of the Company or its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to (a) Divisions 7 and 8 of Part XV of SFO (including interests and short position which they were taken or deemed to have under such provisions of SFO); or (b) which were required, pursuant to Sections 352 of the SFO, to be entered in the register referred to in that section; or (c) which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held, capacity and nature of interests 所持股份數目、身份及權益性質				Percentage of the Company's issued share capital	
Name of Directors 董事姓名	Notes 附註	Directly beneficially owned 直接 實益擁有	Through spouse 透過配偶	Through a controlled corporation 透過 受控制公司	Total 合計	佔本公司已發行 股本百分比	
Dr. Yeung Wah Hin, Alex 楊華顯醫生	1	2,368,454	119,170,370	—	121,538,824	37.07%	
Mrs. Yeung Tsui Mai Ling, Margaret 楊徐美玲女士	2	119,170,370	2,368,454	—	121,538,824	37.07%	
Mr. Cheng Yan Tak, Angus Ronald 鄭恩德先生	3	—	—	12,574,648	12,574,648	3.84%	

Notes:

- Under the SFO, Dr. Yeung Wah Hin, Alex will be deemed to be interested in the 119,170,370 shares, representing 36.35% of the issued share capital of the Company held by Mrs. Yeung Tsui Mai Ling, Margaret, his spouse and also a Director.
- Under the SFO, Mrs. Yeung Tsui Mai Ling, Margaret will be deemed to be interested in the 2,368,454 shares, representing 0.72% of the issued share capital of the Company held by Dr. Yeung Wah Hin, Alex, her spouse and also a Director.

董事及高級行政人員於股份及相關股份的權益

於2004年6月30日，本公司各董事及高級行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有根據（a）證券及期貨條例第XV部第7及第8分部（包括彼等根據證券及期貨條例的有關條文被當作或被視為擁有的權益及淡倉）而須知會本公司及聯交所的權益；或（b）根據證券及期貨條例第352條須登記於該條所述的登記冊內的權益；或（c）根據創業板上市規則第5.48至第5.67條之規定須知會本公司及聯交所的權益如下：

本公司的普通股股份好倉：

附註：

- 根據證券及期貨條例，楊華顯醫生將被視為於由其配偶楊徐美玲女士（亦為董事）持有的119,170,370股股份中擁有權益，該等股份佔本公司已發行股本36.35%。
- 根據證券及期貨條例，楊徐美玲女士將被視為於由其配偶楊華顯醫生（亦為董事）持有的2,368,454股股份中擁有權益，該等股份佔本公司已發行股本0.72%。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Notes: (Continued)

3. 12,574,648 shares were held by Vanbarry Corporation, representing 3.84% of the Company's shares in issue as at 30 June 2004. Vanbarry Corporation is wholly owned by Mr. Cheng Yan Tak, Angus Ronald.

No options were granted to the Directors during the year ended 30 June 2004.

Saved as disclosed above, none of the Directors, the chief executive of the Company, nor their associates had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations as at 30 June 2004 as recorded in the register required to be kept by the Company under section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2004, the following interest of 5% or more of the issued share capital and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

董事及高級行政人員於股份及相關股份的權益 (續)

附註：(續)

3. 該12,574,648股股份由Vanbarry Corporation持有，佔本公司於2004年6月30日的已發行股份3.84%。Vanbarry Corporation由鄭恩德先生全資擁有。

於截至2004年6月30日止年度內，並無授予董事任何購股權。

除上文所披露者外，於2004年6月30日，本公司各董事及高級行政人員或彼等的聯繫人士概無於本公司或其任何相聯法團的股份或相關股份中擁有根據證券及期貨條例第352條須登記於該條所述的登記冊內的權益或淡倉。

主要股東於股份及相關股份的權益

於2004年6月30日，以下為記錄於證券及期貨條例第336條規定本公司須保存的權益登記冊內所佔本公司已發行股本或相關股份5%或以上的權益：

本公司的普通股股份好倉：

Name of shareholders 股東名稱	Notes 附註	Number of shares held, capacity and nature of interests 所持股份數目、身份及權益性質			Total 合計	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比
		Directly beneficially owned 直接 實益擁有	Through spouse 透過配偶	Through a controlled corporation 透過 受控制公司		
Dr. Yeung Wah Hin, Alex 楊華顯醫生	1	2,368,454	119,170,370	—	121,538,824	37.07%
Mrs. Yeung Tsui Mai Ling, Margaret 楊徐美玲女士	1	119,170,370	2,368,454	—	121,538,824	37.07%
Spring Biotech Limited Town Health Bio-Medical Technology Limited	2	67,747,524	—	—	67,747,524	20.67%
康健醫藥生物科技有限公司	2	—	—	67,747,524	67,747,524	20.67%
Town Health International Holdings Company Limited ("Town Health") 康健國際控股有限公司 〔康健〕	2	—	—	67,747,524	67,747,524	20.67%

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret are also Directors of the Company.
2. Spring Biotech Limited is beneficially wholly owned by Town Health Bio-Medical Technology Limited which in turn beneficially wholly owned by Town Health. Town Health is beneficially owned as to 0.1% by Mr. Cho Kam Luk, an executive Director and as to 13.08% by, and it is accustomed to act in accordance with the directions or instructions of, Origin Limited which in turn is beneficially wholly owned by Dr. Cho Kwai Chee.

Saved as disclosed above, the Company has not been notified by any person (other than Directors or chief executive of the Company) who had an interest or short positions in the shares or underlying shares of the Company as at 30 June 2004 as recorded in the register required to be kept by the Company under section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2004, the Group's sales to its five largest customers and the largest customer were 72.30% and 44.33% of the total sales respectively. The Group's purchases from its five largest suppliers and the largest supplier were 95.31% and 49.73% of the total purchases respectively.

The Group's largest customer for the year ended 30 June 2004 was Spring Biotech Limited which is also a substantial shareholder of the Company. Details of Spring Biotech Limited was disclosed under the heading "Substantial shareholders' interests in shares and underlying shares" in this Report of the Directors.

Saved as disclosed above, none of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

COMPETING INTERESTS

None of the Directors or the management shareholders or controlling shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business which competes or may compete with the business of the Group during the year.

主要股東於股份及相關股份的權益(續)

附註：

1. 楊華顯醫生及楊徐美玲女士亦為本公司董事。
2. Spring Biotech Limited由康健醫藥生物科技股份有限公司實益全資擁有，康健醫藥生物科技股份有限公司則由康健實益全資擁有。康健由執行董事曹金陸先生實益擁有0.1%及由Origin Limited實益擁有13.08%，並慣常按照Origin Limited指令或指示行動。Origin Limited乃由曹貴子醫生實益全資擁有。

除上文所披露者外，於2004年6月30日，本公司並無獲任何人士(本公司董事及高級行政人員除外)知會其於本公司的股份或相關股份中擁有根據證券及期貨條例第336條須登記於該條所述之登記冊內的權益或淡倉。

主要客戶及供應商

於截至2004年6月30日止年度內，來自本集團五大客戶及最大客戶之銷售額分別佔本集團總銷售額72.30%及44.33%。而本集團向五大供應商及最大供應商的採購額則分別佔本集團總採購額95.31%及49.73%。

本集團於截至2004年6月30日止年度的最大客戶為Spring Biotech Limited，該公司亦為本公司的主要股東。有關Spring Biotech Limited的詳情已於本董事會報告內「主要股東於股份及相關股份的權益」一節中披露。

除上文所披露者外，各董事或彼等任何之聯繫人士或就董事所知擁有本公司已發行股本5%以上之股東概無於本集團五大客戶及供應商中擁有任何實益權益。

競爭權益

於本年度，本公司董事及管理層股東及控股股東(定義見創業板上市規則)概無於與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS

- (a) Significant related party transactions entered into by the Group during the year ended 30 June 2004 are set out in note 27 to the financial statements.
- (b) The following transactions constitute non-exempted continuing connected transactions for the Company under the GEM Listing Rules and are required to be disclosed herein:
- (i) An agreement dated 23 April 2002 as amended and supplemented by a supplemental agreement dated 7 August 2002 were entered into between Plasmagene Limited (an indirectly wholly owned subsidiary of the Company) and Spring Biotech Limited (a shareholder of the Company) under which Plasmagene Limited agreed to offer diagnostic testing services to Town Health, the ultimate holding company of Spring Biotech Limited, or any of its subsidiaries (the "Town Health Group") under the community research programme jointly run by Plasmagene Limited and Town Health Group. Mr. Cho Kam Luk, the executive Director, is also an executive director and held 0.1% issued share capital of Town Health.

For the year ended 30 June 2004, the diagnostic testing services fees received from Spring Biotech Limited was HK\$771,975 (2003: HK\$428,790). Details are set out in note 27(c) to the financial statements.

A waiver from the announcement requirement and the independent shareholders' approval requirement was granted by the Stock Exchange and such connected transactions are conducted in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

關連交易

- (a) 本集團於截至2004年6月30日止年度內訂立的重大關連方交易載於財務報表附註27。
- (b) 根據創業板上市規則，下列交易構成本公司的不可豁免持續關連交易，並須按有關規定披露如下：
- (i) 普施基因有限公司（為本公司的間接全資附屬公司）與Spring Biotech Limited（為本公司股東）於2002年4月23日訂立一項協議（經由日期為2002年8月7日的補充協議修改及補充），據此，普施基因有限公司同意向康健（為Spring Biotech Limited的最終控股公司）或其任何附屬公司（「康健集團」）提供診斷測試服務，有關測試服務將用於普施基因有限公司及康健集團攜手進行的社區研究計劃。執行董事曹金陸先生亦為康健的執行董事及持有該公司0.1%的已發行股本。

截至2004年6月30日止年度，自Spring Biotech Limited收取的診斷測試服務費為771,975港元（2003年：428,790港元）。有關詳情載於財務報表附註27(c)。

該等關連交易已獲聯交所授予豁免而毋須遵守公佈規定及取得獨立股東批准的規定。該等關連交易乃遵照創業板上市規則第20章的相關規定而進行。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS (Continued)

- (ii) A sub-tenancy agreement dated 29 August 2003 was entered into between the Company and Wellchamp Capital Limited ("Wellchamp") for the sharing of office for the period from 26 May 2003 to 25 May 2004 at a monthly rental of HK\$25,000. A renewal agreement dated 26 July 2004 was entered into between both parties for a period from 26 May 2004 to 12 February 2005 with the same monthly rental of HK\$25,000. Wellchamp is owned as to 97.6% by Mr. Cheng Yan Tak, Angus Ronald, an executive Director and an ultimate shareholder of the Company.

For the year ended 30 June 2004, the net rental and utility charges received from Wellchamp was HK\$310,700 (2003: HK\$33,402). Details are set out in note 27(d) to the financial statements.

This continuing connected transaction is exempted under Rule 20.34 of the GEM Listing Rules from the independent shareholders' approval requirement, but is subject to the announcement and report requirements as set out in Rules 20.45 to 20.47 of the GEM Listing Rules.

The Directors, including the non-executive and independent non-executive Directors, consider that the above connected transactions were entered into in the interests of the Company, in its ordinary and usual course of business, and that the terms of the transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed under the heading "Directors' and chief executive's interests in shares and underlying shares" in this Report of the Directors and the paragraph headed "Share options" in note 30(a) to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTEREST IN CONTRACTS

Saved as disclosed in note 27 to the financial statements, no other contract of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

關連交易 (續)

- (ii) 本公司與Wellchamp Capital Limited (「Wellchamp」)於2003年8月29日訂立了一項分租協議，以由2003年5月26日起至2004年5月25日止期間分租辦公室，月租為25,000港元。訂約雙方其後於2004年7月26日訂立重續協議，以將分租期限延長至由2004年5月26日起至2005年2月12日止，月租仍為25,000港元。Wellchamp由本公司執行董事兼最終股東鄭恩德先生持有97.6%股權。

截至2004年6月30日止年度，自Wellchamp收取的租金淨額及水電費為310,700港元(2003年：33,402港元)。有關詳情載於財務報表附註27(d)。

該持續關連交易根據創業板上市規則第20.34條獲豁免遵守取得獨立股東批准的規定，惟須遵守創業板上市規則第20.45至第20.47條所載的公佈及申報規定。

各董事(包括非執行董事及獨立非執行董事)認為上述關連交易符合本公司利益及於本公司日常及一般業務過程中進行，而該等交易的條款屬公平合理，並符合本公司股東的整體利益。

董事購買股份及債券的權利

除本董事會報告內「董事及高級行政人員於股份及相關股份的權益」一節及財務報表附註30(a)的「購股權」一段所披露者外，於年內任何時間，並無授予任何董事或彼等各自的配偶或未成年子女可透過購買本公司股份或債券而獲得的權利，而彼等亦無行使任何該等權利；同時，本公司或其任何附屬公司概無訂立任何安排，致使董事可於任何其他法團獲得該等權利。

董事的合約權益

除財務報表附註27所披露者外，本公司及其附屬公司概無訂立董事直接或間接擁有重大權益而於年終或年內任何時間有效的其他重大合約。

REPORT OF THE DIRECTORS 董事會報告

SPONSOR'S INTEREST

As notified by First Shanghai Capital Limited (the "Sponsor"), neither the Sponsor nor its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in the securities of the Company or of any member of the Group, or had any right to subscribe for or to nominate persons to subscribe for the securities of the Company or of any member of the Group as at 30 June 2004.

Pursuant to a sponsor agreement entered into between the Company and the Sponsor, the Sponsor is entitled to receive a fee for acting as the Company's sponsor for the period from 18 June 2004 to 30 June 2006.

BOARD PRACTICES AND PROCEDURES

Commencing from the Listing Date, the Company has complied with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee on 20 April 2004 with written terms of reference based on the Rules 5.23 to 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and financial statements, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the Group's financial reporting and internal control procedures. The audit committee consists of all the independent non-executive Directors, namely Dr. Ngan Man Wong, Matthew, Professor Chung Sheung Chee, Sydney (from 20 April 2004 to 1 July 2004), Dr. Loh Kai Tsu, Kevin and Mr. Chan Siu Wing, Raymond. Dr. Ngan Man Wong, Matthew is the Chairman of the audit committee. The audit committee had met once after the Listing Date and up to the date of this report. The audited financial statements of the Group for the year ended 30 June 2004 had been reviewed by the audit committee.

AUDITORS

A resolution to re-appoint the retiring auditors, RSM Nelson Wheeler, will be put at the forthcoming annual general meeting.

保薦人權益

按第一上海融資有限公司(「保薦人」)所告知會，於2004年6月30日，保薦人及其董事、僱員或聯繫人士(如創業板上市規則第6.35條附註3所述)概無於本公司或本集團任何成員公司的證券中擁有任何權益，亦無擁有任何權利可認購或提名他人認購本公司或本集團任何成員公司的證券。

根據本公司與保薦人所訂立的保薦人協議，保薦人由2004年6月18日起至2006年6月30日止期間有權就擔任本公司保薦人收取費用。

董事會常規及程序

自上市日期起，本公司一直遵守創業板上市規則第5.34至第5.45條所載的董事會常規及程序。

審核委員會

本公司於2004年4月20日成立審核委員會，並根據創業板上市規則第5.23至第5.25條的規定書面界定其職權範圍。審核委員會的主要職責為審閱本公司的年報及財務報表、中期報告及季度報告，並就此向董事會提出意見及建議。審核委員會亦負責審核及監督本集團的財務申報過程及內部監控程序。審核委員會由所有獨立非執行董事組成，包括顏文煌醫生、鍾尚志教授(由2004年4月20日至2004年7月1日止)、陸凱祖醫生及陳兆榮先生，並由顏文煌醫生擔任審核委員會主席。自上市日期後直至本報告日期，審核委員會舉行過一次會議。審核委員會已審閱本集團截至2004年6月30日止年度的經審核財務報表。

核數師

於應屆股東週年大會上將提呈續聘退任核數師羅申美會計師行的決議案。

For and on behalf of the Board
Dr. Yeung Wah Hin, Alex
 Chairman

代表董事會
楊華顯醫生
 主席

Hong Kong, 22 September 2004

香港，2004年9月22日

AUDITORS' REPORT 核數師報告

RSM! Nelson Wheeler

羅申美會計師行

Certified Public Accountants

TO THE SHAREHOLDERS OF PLASMAGENE BIOSCIENCES LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 36 to 87 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

致普施基因生物科技有限公司

各股東

(於開曼群島註冊成立的有限公司)

本核數師已審核刊於第36頁至第87頁的財務報表。該財務報表乃按照香港公認會計原則編製。

董事及核數師各自的責任

貴公司董事須負責編製真實與公平的財務報表。在編製該等真實與公平的財政報表時，董事必須選取並貫徹採用合適的會計政策。

本核數師的責任是根據我們審核工作的結果，對該等財務報表作出獨立意見，並僅向整體股東報告，除此之外本報告別無其他用途。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

意見的基礎

本核數師已按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況，及有否貫徹運用並足夠披露該等會計政策。

本核數師在策劃及進行審核工作時，是以取得一切我們認為必需的資料及解釋為目標，使本核數師能獲得充份的憑證，以就該等財務報表是否存在重大錯誤陳述，作合理的確定。本核數師在擬定意見時亦評估財務報表呈列之資料在整體上而言是否足夠。本核數師相信我們的審核工作已為下列意見提供合理基礎。

AUDITORS' REPORT 核數師報告

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2004 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

本核數師認為，該財務報表足以真實兼公平地顯示 貴公司及 貴集團於2004年6月30日的財務狀況，及 貴集團截至該日止年度的虧損及現金流量，並已按照香港公司條例的披露規定妥為編製。

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

22 September 2004

羅申美會計師行
執業會計師
香港

2004年9月22日

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 30 June 2004 截至2004年6月30日止年度

				For the period from 27 June 2002 (date of incorporation) to 30 June 2003	
				由2002年6月27日(註冊成立日期)至2003年6月30日止期間	
				For the year ended 30 June 2004 截至2004年6月30日止年度	HK\$ 港元
				HK\$ 港元	HK\$ 港元
		Notes 附註			
Turnover	營業額	3	1,741,605	1,087,670	
Cost of sales	銷售成本		(1,257,657)	(762,420)	
			483,948	325,250	
Other revenue	其他收入	4	59,965	318,282	
			543,913	643,532	
Selling and distribution expenses	銷售及分銷費用		(206,473)	(110,612)	
Administration expenses	行政費用		(3,799,847)	(3,262,444)	
Other operating expenses	其他營運費用		(771,897)	(911,127)	
Loss before taxation	除稅前虧損	5	(4,234,304)	(3,640,651)	
Taxation	稅項	6	—	—	
Loss attributable to shareholders	股東應佔虧損	8	(4,234,304)	(3,640,651)	
Loss per share – basic	每股虧損 – 基本	9	1.76 cents 仙	1.53 cents 仙	

The notes on pages 42 to 87 form an integral part of these financial statements.

第42頁至第87頁的附註屬此等財務報表一部份。

CONSOLIDATED BALANCE SHEET 綜合資產負債表

As at 30 June 2004 於2004年6月30日

		Notes 附註	2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Non-current assets	非流動資產			
Intangible assets	無形資產	12	4,192,650	4,227,941
Plant and equipment	廠房及設備	13	922,404	1,282,255
			5,115,054	5,510,196
Current assets	流動資產			
Inventories	存貨	15	41,997	2,784
Trade receivables	應收貿易賬款	16	148,010	207,740
Other receivables and prepayments	其他應收款項及預付款項		575,683	3,547,795
Amount due from a related company	應收關連公司款項	17	—	2,829
Amounts due from directors	應收董事款項	18	—	3,892,078
Cash and bank balances	現金及銀行結餘		39,092,537	18,373,656
			39,858,227	26,026,882
Less: Current liabilities	減：流動負債			
Other payables and accrued charges	其他應付款項及應計費用		1,225,455	1,686,545
Amounts due to related companies	應付關連公司款項	19	413	3,598,176
Amount due to a shareholder	應付一名股東款項	20	—	655,848
			1,225,868	5,940,569
Net current assets	流動資產淨值		38,632,359	20,086,313
Total assets less current liabilities	總資產減流動負債		43,747,413	25,596,509
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	21	15,050,000	21,500,000
Total net assets	總資產淨值		28,697,413	4,096,509
Financed by:	付款方式：			
Share capital	股本	23	3,278,000	10,100
Reserves	儲備		25,419,413	4,086,409
			28,697,413	4,096,509

Approved by the Board of Directors on 22 September 2004

董事會於2004年9月22日核准

Dr. Yeung Wah Hin, Alex

楊華顯醫生

Director

董事

Cheng Yan Tak, Angus Ronald

鄭恩德

Director

董事

The notes on pages 42 to 87 form an integral part of these financial statements.

第42頁至第87頁的附註屬此等財務報表一部份。

BALANCE SHEET 資產負債表

As at 30 June 2004 於2004年6月30日

		Notes 附註	2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	14	11,530,753	7,048,063
Current assets	流動資產			
Other receivables and prepayments	其他應收款項及預付款項		395,834	3,465,480
Amounts due from directors	應收董事款項	18	—	3,892,078
Cash and bank balances	現金及銀行結餘		38,406,576	18,320,385
			38,802,410	25,677,943
Less: Current liabilities	減：流動負債			
Other payables and accrued charges	其他應付款項及應計費用		298,579	355,232
Amounts due to related companies	應付關連公司款項	19	—	3,598,176
			298,579	3,953,408
Net current assets	流動資產淨值		38,503,831	21,724,535
Total assets less current liabilities	總資產減流動負債		50,034,584	28,772,598
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	21	15,050,000	21,500,000
Total net assets	總資產淨值		34,984,584	7,272,598
Financed by:	付款方式：			
Share capital	股本	23	3,278,000	10,100
Reserves	儲備	24	31,706,584	7,262,498
			34,984,584	7,272,598

Approved by the Board of Directors on 22 September 2004

董事會於2004年9月22日核准

Dr. Yeung Wah Hin, Alex

楊華顯醫生

Director

董事

Cheng Yan Tak, Angus Ronald

鄭恩德

Director

董事

The notes on pages 42 to 87 form an integral part of these financial statements.

第42頁至第87頁的附註屬此等財務報表一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

For the year ended 30 June 2004 截至2004年6月30日止年度

		Issued capital 已發行股本 HK\$ 港元	Share premium 股份溢價 HK\$ 港元	Accumulated losses 累計虧損 HK\$ 港元	Sub-total of reserves 儲備小計 HK\$ 港元	Total 合計 HK\$ 港元
Shares issued for cash	為換取現金而發行的股份	100	-	-	-	100
Acquisition of subsidiaries in the Reorganisation	於重組時收購附屬公司	10,000	7,727,060	-	7,727,060	7,737,060
Loss for the period	期間虧損	-	-	(3,640,651)	(3,640,651)	(3,640,651)
Balance at 30 June 2003	於2003年6月30日結餘	10,100	7,727,060	(3,640,651)	4,086,409	4,096,509
Capitalisation issue of shares	資本化發行股份	2,369,900	(2,369,900)	-	(2,369,900)	-
Initial conversion of Convertible Notes	首次轉換可換股票據	258,000	6,192,000	-	6,192,000	6,450,000
Proceeds from issue of shares by placing and public offer	以配售及公開發售方式 發行股份所得款項	640,000	31,360,000	-	31,360,000	32,000,000
Share issue expenses	股份發行開支	-	(9,614,792)	-	(9,614,792)	(9,614,792)
Loss for the year	年度虧損	-	-	(4,234,304)	(4,234,304)	(4,234,304)
Balance at 30 June 2004	於2004年6月30日結餘	3,278,000	33,294,368	(7,874,955)	25,419,413	28,697,413

The notes on pages 42 to 87 form an integral part of these financial statements.
第42頁至第87頁的附註屬此等財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 30 June 2004 截至2004年6月30日止年度

For the
period from
27 June 2002
(date of
incorporation)
to 30 June
2003
由2002年
6月27日
(註冊成立
日期)至
2003年
6月30日
止期間
HK\$
港元

	Notes 附註	For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Loss before taxation	除稅前虧損	(4,234,304)	(3,640,651)
Adjustments for:	調整：		
Amortisation of intangible assets	無形資產攤銷	447,214	326,851
Costs of issue of Convertible Notes	發行可換股票據成本	—	363,326
Depreciation	折舊	440,291	421,436
Gain on disposal of subsidiaries	出售附屬公司收益	—	(1,485)
Interest income	利息收入	(54,966)	(1,797)
Loss on disposals of plant and equipment	出售廠房及設備虧損	—	17,157
Write-off of intangible assets	無形資產撇賬	—	229,756
Operating loss before working capital changes	營運資金變動前經營虧損	(3,401,765)	(2,285,407)
(Increase)/Decrease in inventories	存貨(增加)/減少	(39,213)	10,970
Decrease/(Increase) in trade receivables	應收貿易賬款減少/(增加)	59,730	(74,310)
Decrease/(Increase) in other receivables and prepayments	其他應收款項及預付款項 減少/(增加)	2,972,112	(989,025)
Decrease/(Increase) in amount due from a related company	應收關連公司款項減少/(增加)	2,829	(3,583,706)
Decrease/(Increase) in amounts due from directors	應收董事款項減少/(增加)	3,892,078	(297,014)
Increase in other payables and accrued charges	其他應付款項及 應計費用增加	96,102	817,031
Decrease in amount due to a shareholder	應付一名股東款項減少	(655,848)	—
(Decrease)/Increase in amounts due to related companies	應付關連公司款項(減少)/增加	(3,597,763)	3,598,176
Net cash used in operating activities	經營活動所用現金淨額	(671,738)	(2,803,285)

The notes on pages 42 to 87 form an integral part of these financial statements.

第42頁至第87頁的附註屬此等財務報表一部份。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 30 June 2004 截至2004年6月30日止年度

			For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日 (註冊成立 日期)至 2003年 6月30日 止期間 HK\$ 港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Purchases of plant and equipment	購置廠房及設備		(80,440)	(359,120)
Proceeds from sale of plant and equipment	出售廠房及設備所得款項		—	900
Payments for licences and patents	支付許可及專利	31(b)(i)	(344,115)	(116,956)
Payments for development costs	支付開發成本	31(b)(ii)	(625,000)	(375,000)
Acquisition of subsidiaries	收購附屬公司	25	—	1,107,896
Disposal of subsidiaries	出售附屬公司	26	—	(219,350)
Interest received	已收利息		54,966	1,797
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(994,589)	40,167
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
Proceeds from issuance of share capital	發行股本所得款項	31(a)	32,000,000	100
Payments relating to issue costs of share capital	有關股本發行成本的費用		(9,614,792)	—
Proceeds from issuance of Convertible Notes	發行可換股票據所得款項		—	21,500,000
Payments relating to issue costs of Convertible Notes	有關可換股票據發行成本的費用		—	(363,326)
Net cash from financing activities	融資活動現金淨額		22,385,208	21,136,774
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加淨額		20,718,881	18,373,656
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	年/期初的現金及現金等值物		18,373,656	—
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	年/期終的現金及 現金等值物		39,092,537	18,373,656
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析			
Cash and bank balances	現金及銀行結餘		39,092,537	18,373,656

The notes on pages 42 to 87 form an integral part of these financial statements.

第42頁至第87頁的附註屬此等財務報表一部份。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands on 27 June 2002 under the Companies Law of the Cayman Islands as an exempted company limited by shares. Pursuant to the corporate reorganisation (the "Reorganisation") of the Group in preparation for the listing of the Company's shares on the Growth Enterprises Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the ultimate holding company of the companies now comprising the Group. The Reorganisation was accomplished by:

- (a) the acquisition by Chemosino International Limited on 20 September 2002 of the entire issued share capital of Century Year Company Limited, New Oxford Management Limited, Plasmagene Limited, 3 Ben Genomics Hong Kong Ltd. and Celltech Limited through a share exchange of the Company; and
- (b) the disposal of Century Year Company Limited and New Oxford Management Limited on 25 June 2003.

The results of the Group are accounted for under acquisition accounting method. Further details of the Reorganisation and subsidiaries are set out in Appendix V of the prospectus of the Company dated 8 June 2004 and note 14 to the financial statements.

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of diagnostic testing services and products and related research and development. A subsidiary, Century Year Company Limited, which was engaged in provision of consultancy services was disposed of on 25 June 2003.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

1. 組織及營運

本公司於2002年6月27日根據開曼群島公司法於開曼群島註冊成立為受豁免股份有限公司。根據本集團為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市而進行的公司重組(「重組」)，本公司成為現時組成本集團的各公司的最終控股公司。重組透過下列事項完成：

- (a) 於2002年9月20日，Chemosino International Limited以本公司股份作為交換的方式收購Century Year Company Limited、New Oxford Management Limited、Plasmagene Limited、3 Ben Genomics Hong Kong Ltd.及Celltech Limited的全部已發行股本；及
- (b) 於2003年6月25日出售Century Year Company Limited及New Oxford Management Limited。

本集團的業績按收購會計法列賬。有關重組及附屬公司的其他詳情載於日期為2004年6月8日的本公司招股章程附錄五及財務報表附註14。

本公司乃投資控股公司，其附屬公司主要從事提供診斷測試服務及產品以及相關研究與開發。而從事提供顧問服務的附屬公司Century Year Company Limited已於2003年6月25日出售。

2. 主要會計政策

(a) 編製基準

本財務報表乃根據香港普遍採納的會計原則並遵守香港會計師公會頒佈的會計準則，以歷史成本法慣例編製。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2003 and 2004. The results of subsidiaries acquired or disposed of during the period/year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

A subsidiary is a company that is controlled by the Company, where the Company has the power to govern the financial and operating policies of such company so as to obtain benefits from its activities.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated income statement.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, if any. The results of subsidiaries are accounted for on the basis of dividends received and receivable.

(c) Revenue recognition

Revenue from the sales of diagnostic testing services is recognised when the services are rendered.

Revenue from the sales of diagnostic testing products is recognised on the transfer of risks and rewards of ownership which generally coincide with the time when goods are delivered and title has passed.

Revenue from the provision of consultancy services is recognised when the services are rendered.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

2. 主要會計政策 (續)

(b) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至2003年及2004年6月30日止的財務報表。於期間／年度內收購或出售的附屬公司的業績已自收購生效日期起或截至出售生效日期止(如適用)包括在綜合收益表內。

附屬公司指本公司控制的公司，而本公司有權規管該公司的財務及營運政策，以從其業務中獲取利益。

集團內公司間的所有重大交易及結餘已在綜合賬目時對銷。

出售附屬公司的盈虧指出售所得款項與本集團所佔其資產淨值連同過往未於綜合收益表扣除或確認的任何商譽或資本儲備之間的差額。

於附屬公司的投資已於本公司的資產負債表按成本值扣除減值虧損(如有)呈列。附屬公司的業績乃按已收取及應收取股息的基準入賬。

(c) 收入確認

銷售診斷測試服務的收入，於提供服務後確認。

銷售診斷測試產品的收入，於所有權的風險及回報轉移(通常與貨物交付及所有權轉移同時發生)後確認。

提供顧問服務的收入，於提供服務後確認。

利息收入按時間比例基準，並計及未償還本金金額及適用利率後確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Research and development

(i) Licences and patents

Expenditures for licences and patents are recognised as intangible assets only if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably; otherwise they are charged to the consolidated income statement in the period in which they are incurred.

After initial recognition, the licences and patents are measured at cost less accumulated amortisation on a straight line basis over the estimated useful lives of the relevant testing services for periods of 7 to 15 years and any accumulated impairment losses.

(ii) Research and development activities

Research costs are charged to the consolidated income statement in the period in which they are incurred. Development costs are recognised as intangible assets only when such costs are incurred for specific projects where recoverability can be foreseen with reasonable assurance and comply with the following criteria: (i) the product or process is clearly defined and the development costs attributable to the product or process can be separately identified and measured reliably; (ii) the technical feasibility of the product or process can be demonstrated; (iii) the Group intends to produce and market, or use, the product or process; (iv) the existence of a market for the product or process or, if it is to be used internally rather than sold, its usefulness to the Group, can be demonstrated; and (v) adequate resources exist, or their availability can be demonstrated, to complete the project and market or use the product or process. Development costs not meeting these criteria are expensed as incurred. Development costs recognised as intangible assets are amortised on a straight line basis over the estimated commercial lives of the underlying testing services which generally do not exceed twenty years.

2. 主要會計政策 (續)

(d) 研究與開發

(i) 許可及專利

只有當資產應佔的未來經濟利益將流入本集團，及資產成本能可靠地量度時，許可及專利費用方可確認為無形資產。否則許可及專利費用於產生期間從綜合收益表中扣除。

許可及專利在首次確認後，按成本減於估計有關測試服務可使用年期（七至十五年）內以直線法計算的累計攤銷及任何累計減值虧損計算。

(ii) 研究與開發業務

研究成本於產生期間從綜合收益表中扣除。如開發成本是用作特定項目，並且有合理保證日後可收回成本，以及符合以下條件，則開發成本方可確認為無形資產：(i)產品或程序的界定清晰，而產品或程序所佔的開發成本可獨立分辨並能可靠地量度；(ii)產品或程序證實技術上可行；(iii)本集團計劃生產並推銷或使用產品或程序；(iv)產品或程序存在市場需求；或如供內部使用而非作出售，則證實對本集團有用處；及(v)現存充足資源或證實可取得充足資源以完成項目，並推銷或使用產品或程序。不符合上述條件的開發成本，於產生時列作支出。經確認為無形資產的開發成本乃按相關測試服務的估計商業年期（通常不超過二十年）以直線法攤銷。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses and are depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight line basis. The principal annual rates are as follows:

Laboratory equipment	20%
Leasehold improvements	20%
Office equipment, furniture and fixtures	20% – 40%
Motor vehicles	30%

Major costs incurred in restoring plant and equipment to their normal working condition are charged to the consolidated income statement. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

(f) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as expenses immediately.

2. 主要會計政策 (續)

(e) 廠房及設備

廠房及設備按成本減累計折舊及減值虧損後列賬，並於估計可使用年期內按足以將成本撇銷的比率以直線法折舊。主要年率如下：

化驗所設備	20%
租賃改善工程	20%
辦公室設備、傢具 及裝置	20%至40%
汽車	30%

將廠房及設備修復，使其恢復正常運作狀況的主要成本從綜合收益表扣除。改善工程按工程對本集團的預期可使用年期撥充資本及折舊。

出售廠房及設備的盈虧，指有關資產的銷售所得款項淨額與賬面值之間的差額，並於綜合收益表確認。

(f) 減值

於每個結算日期，本集團檢討有形及無形資產的賬面值，以確定此等資產是否有任何蒙受減值虧損的跡象。倘有任何減值虧損的跡象，則會估計資產的可收回金額，以確定減值虧損(如有)的程度。倘無法估計個別資產的可收回金額，本集團會估計資產所屬可產生現金單位的可收回金額。

倘資產(或可產生現金單位)的估計可收回金額低於賬面值，資產(或可產生現金單位)的賬面值則調低至可收回金額。減值虧損會即時確認為支出。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Impairment (Continued)

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(g) Taxation

The charge for taxation is based on the results for the year/period as adjusted for items which are non-assessable or disallowable. Hong Kong profits tax is provided at the rate prevailing for the year/period based on the assessable profit for the year/period less allowable losses, if any, brought forward.

Deferred taxation is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(h) Accounts receivable

Accounts receivable are stated net of provision for doubtful debts. Provision is made against accounts receivable to the extent they are considered to be doubtful.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. 主要會計政策 (續)

(f) 減值 (續)

倘減值虧損隨後沖銷，資產(或可產生現金單位)的賬面值會調升至重估的可收回金額，惟所調升的賬面值不可超出往年資產(或可產生現金單位)在並無確認減值虧損時的賬面值。減值虧損撥回會即時確認為收入。

(g) 稅項

稅項開支是按年度／期間業績，在調整毋須課稅或不可扣稅的項目後計算。香港利得稅按年度／期間應課稅溢利減承前可扣稅虧損(如有)後根據該年度／期間的稅率作撥備。

遞延稅項是根據資產負債表負債法，按資產及負債的稅基與財務報表所列的資產及負債的賬面值之間的暫時差額全數撥備。遞延稅項按結算日之前頒佈或已實施的稅率釐定。遞延稅項資產以將來有應課稅溢利可用作抵銷暫時差額為限予以確認。

遞延稅項按附屬公司投資產生的暫時差額作出撥備，惟倘暫時差額撥回的時間可予以控制，以及暫時差額於可見將來不會撥回時則不作撥備。

(h) 應收賬款

應收賬款在扣除呆賬撥備後列賬。被視為屬呆賬的應收賬款會作撥備。

(i) 存貨

存貨按成本與可變現淨值較低者列賬。成本以先進先出方式確定，並包括一切購貨成本、轉換成本及使存貨運到現址及達致現況的其他成本。可變現淨值指日常業務過程中的估計銷售價減估計完成成本及出售所需的估計成本。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(j) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition. For the purpose of the consolidated cash flow statement, bank overdrafts which are repayable on demand and form an integral part of an enterprise's cash management are also included as a component of cash and cash equivalents.

(k) Provisions and contingencies

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2. 主要會計政策 (續)

(j) 現金及現金等值物

現金及現金等值物指銀行存款及庫存現金、銀行及其他財務機構內的活期存款及短期高流動投資(購入時原到期日在三個月內)，可隨時轉為一筆預知數額現金，且其價值並無重大變動的風險。就綜合現金流量表而言，於要求時償還及一家企業的現金管理組成部分的銀行透支，亦計入現金及現金等值物。

(k) 撥備及或然項目

當過往事件引致當前債務(法定或推定)，且有可能(即機會很大)需要動用未來涉及經濟利益的資源以償還債務，並能夠可靠估計債務數額時確認撥備。撥備將會定時作出檢討，並調整以便反映當時最佳的估計。倘有關金額的時間值影響重大，撥備的數額則是預期償還債務所需的未來開支的現值。

當過往事件引致可能出現的債務，且該等債務是否存在，只能取決於一件或多件不確定的未來事件的出現與否，而該等事件亦不能完全由本集團控制，此等債務是為或然負債。或然負債亦可由過往事件引致當前債務，然而該等債務不大可能需要動用經濟資源流出，或該等債務的金額不能可靠地估計而不被確認。或然負債於財務報表中不予確認。該等或然債務將予披露，除非包含經濟利益的資源流出可能性不大。

當過往事件引致可能出現的資產，且該等資產是否存在，只能取決於一件或多件不確定的未來事件的出現與否，而該等事件亦不能完全由本集團控制，此等資產是為或然資產。或然資產在財務報表中不予確認，但在可能出現經濟利益流入時將予披露。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(l) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the consolidated income statement on a straight line basis over the lease term.

(m) Foreign currency translation

Transactions in foreign currencies are translated into Hong Kong dollars at the approximate rates of exchange ruling on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the consolidated income statement.

(n) Employee benefits

(i) Retirement benefits schemes

Obligations for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as expenses in the consolidated income statement as incurred.

(ii) Share option schemes

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option schemes is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

2. 主要會計政策 (續)

(l) 經營租約

租賃公司保留幾乎資產全部所有權風險及回報的租約在經營租約內列賬。適用於此等經營租約的租金按租約年期以直線法從綜合收益表扣除。

(m) 外幣換算

外幣交易按交易日期的通行概約匯率換算為港元。以外幣計值的貨幣資產及負債按結算日通行率換算。此項換算政策所引致的溢利及虧損已收錄於綜合收益表。

(n) 僱員福利

(i) 退休福利計劃

定額供款退休金計劃的供款責任，包括根據香港強制性公積金計劃條例下應付供款，已於產生時在綜合收益表內確認為支出。

(ii) 購股權計劃

本公司採納購股權計劃作為給予為本集團業務的成功作出貢獻的合資格參與者的激勵及獎勵。於購股權獲行使前，不會於本公司或本集團的資產負債表內記錄根據購股權計劃所授出購股權的財務影響，亦無就其成本於收益表或資產負債表記錄任何費用。於行使購股權後，本公司會將所發行的股份按股份面值列作額外股本，而每股行使價所超越股份面值的款額則計入本公司的股份溢價賬。於行使日期前已註銷或已失效的購股權將於尚未行使購股權登記冊上刪除。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(o) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of consolidation process, except to the extent that such intra-group balances and transactions are between group companies within a single segment.

Segment capital expenditure is the total costs incurred during the year/period to acquire segment assets that are expected to be used for more than one period.

(p) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2. 主要會計政策 (續)

(o) 分部報告

分部指本集團內從事於供應產品或提供服務(業務分部)，或者在一特定的經濟環境內供應產品或提供服務(地區分部)的可分別部份，而各分部所承受的風險及獲得的回報並不相同。

分部收益、支出、業績、資產及負債包括能直接歸類於某一分部及該等能夠按合理基準分配到各分部的項目。分部收益、支出、資產及負債均在綜合賬目過程中集團內結餘及集團內交易予以抵銷前列示，除非該等集團內結餘及交易乃在集團企業中之單一分部。

分部資本開支乃於年度／期間內收購預計將會使用超過一個期間的分部資產而產生的總成本。

(p) 關連人士

倘一方有能力直接或間接控制另一方，或對另一方的財務及經營決策施加重大影響，則雙方會被視作關連人士。倘雙方受共同控制或共同重大影響，雙方亦會被視作關連人士。關連人士可以是個人或公司實體。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

3. TURNOVER

The Group is principally engaged in sales of diagnostic testing services and products, and research and development relating to diagnosis of cancer and foetal diseases and certain other illnesses. During the year/period, all of the Group's business were carried on in Hong Kong.

3. 營業額

本集團主要從事銷售診斷測試服務及產品，以及有關診斷癌症、人胎疾病及若干其他疾病的研究與開發工作。於年度／期間內，本集團在香港經營全部業務。

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Sales of diagnostic testing services and products	銷售診斷測試服務及產品		
Related parties	關連人士	771,975	428,790
Third parties	第三方	969,630	658,880
Total	合計	1,741,605	1,087,670

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

4. OTHER REVENUE

4. 其他收入

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Bank interest income	銀行利息收入	54,966	1,797
Consultancy fees income	顧問費收入	—	315,000
Gain on disposal of subsidiaries	出售附屬公司收益	—	1,485
Sundry income	雜項收入	4,999	—
		59,965	318,282

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

5. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

5. 除稅前虧損

除稅前虧損經扣除下列項目後列賬：

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Auditors' remuneration	核數師酬金	130,000	93,500
Amortisation of intangible assets	無形資產攤銷	736,856	607,334
Less: Amounts capitalised as development costs	減：開發成本資本化的款額	(289,642)	(280,483)
		447,214	326,851
Cost of inventories sold	銷貨成本	159,368	100,941
Depreciation	折舊	440,291	421,436
Directors' remuneration	董事酬金		
As directors	董事	—	—
For management	管理層	864,000	647,000
		864,000	647,000
Exchange losses	滙兌損失	58,452	—
Write-off of intangible assets	無形資產撇賬	—	229,756
Loss on disposals of plant and equipment	出售廠房及設備虧損	—	17,157
Operating leases rental in respect of premises	物業經營租約租金	129,000	249,891
Staff costs (excluding directors' remuneration – note 10)	員工成本(不包括董事酬金—附註10)		
Staff salaries and wages	員工薪金及工資	1,117,719	1,057,981
Retirement benefits scheme contributions	退休福利計劃供款	48,657	46,238
Other welfares	其他福利	9,702	9,465
		1,176,078	1,113,684
Research and development expenditure other than amortisation	攤銷以外的研究與開發支出	882,186	466,892

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

6. TAXATION

No provision for Hong Kong profits tax is required since the Group has no assessable profits for the year/period.

The reconciliation between the Group's loss before taxation and the amount which is calculated based on the tax rate of 17.5% in Hong Kong is as follows:

6. 稅項

由於本集團於年度／期間內並無應課稅溢利，故此毋須為香港利得稅作撥備。

本集團的除稅前虧損與根據香港稅率17.5%計算的金額的對賬表如下：

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Loss before taxation	除稅前虧損	(4,234,304)	(3,640,651)
Tax calculated at the tax rate	按稅率計算的稅項	(741,003)	(637,114)
Tax effect of expenses not deductible in determining taxable profits	於釐定應課稅溢利時不能扣稅的支出的稅務影響	48,043	110,611
Tax effect of income not taxable in determining taxable profits	於釐定應課稅溢利時毋須課稅的收入 的稅務影響	(10,495)	(1,127)
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	(30,277)	(147,533)
Loss not recognised as deferred tax assets due to concerns as to their recoverability	由於未能確定能否收回而並無確認為 遞延稅項資產的虧損	733,732	675,163
Taxation	稅項	—	—

7. DIVIDEND

No dividend has been paid or declared by the Company or any of its subsidiaries for the year/period.

8. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The consolidated loss attributable to shareholders include a loss of HK\$1,123,222 (period ended 30 June 2003: HK\$464,562) which has been dealt with in the financial statements of the Company.

7. 股息

本公司或其任何附屬公司於年度／期間並無派付或宣派任何股息。

8. 股東應佔虧損

股東應佔綜合虧損包括虧損1,123,222港元(截至2003年6月30日止期間：464,562港元)，該數額已於本公司財務報表內處理。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to the shareholders for the year of HK\$4,234,304 (period ended 30 June 2003: HK\$3,640,651) and on the weighted average number of ordinary shares of 241,189,617 (period ended 30 June 2003: 237,721,640) in issue during the year/period after adjustment for the capitalisation issue.

The computation of diluted loss per share for the period/year ended 30 June 2003 and 2004 has not been presented because the assumed conversion of the Company's Convertible Notes at the date of issue, which were outstanding during the period/year, had anti-dilutive effects on the respective basic loss per share.

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of the emoluments paid and payable to the directors during the year/period are as follows:

9. 每股虧損

每股基本虧損乃根據本年度股東應佔虧損4,234,304港元(截至2003年6月30日止期間: 3,640,651港元)及已就資本化發行作調整的年度/期間內已發行普通股加權平均股數241,189,617股(截至2003年6月30日止期間: 237,721,640股)計算。

由於假設於發行當日轉換於期間/年度內尚未行使的本公司可換股票據對各自的每股基本虧損有反攤薄作用，故並無呈列截至2003年及2004年6月30日止期間/年度每股攤薄盈利的計算。

10. 董事及高級管理層酬金

(a) 於年度/期間內已付及應付予董事的酬金詳情如下:

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Bonuses	花紅	—	—
Fees	袍金	—	—
Salaries and allowances	薪金及津貼	852,000	638,000
Retirement scheme contributions	退休計劃供款	12,000	9,000
		864,000	647,000

The above remuneration were paid and payable to Dr. Yeung Wah Hin, Alex. No other directors received emoluments during the year/period.

上述酬金為已付及應付予楊華顯醫生。其他董事於年度/期間內並無收取酬金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The remuneration of the directors was in the following bands:

Emolument bands:	酬金範圍：
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元

No Directors has waived any emoluments during the year/period.

(b) The five individuals whose emoluments were the highest in the Group are as follows:

Directors	董事	1	1
Employees	僱員	4	4

During the year ended 30 June 2004 and the period from 27 June 2002 (date of incorporation) to 30 June 2003, only one director of the Company received emoluments.

10. 董事及高級管理層酬金 (續)

董事酬金在以下範圍的人數如下：

	For the period from 27 June 2002 (date of incorporation) to 30 June 2003	For the year ended 30 June 2004
	由2002年6月27日(註冊成立日期)至2003年6月30日止期間	截至2004年6月30日止年度
	HK\$	HK\$
	港元	港元
		9

董事於年度/期間內並無放棄收取任何酬金。

(b) 本集團五名最高酬金人士如下：

	For the period from 27 June 2002 (date of incorporation) to 30 June 2003	For the year ended 30 June 2004
	由2002年6月27日(註冊成立日期)至2003年6月30日止期間	截至2004年6月30日止年度
	HK\$	HK\$
	港元	港元
Directors	1	1
Employees	4	4

截至2004年6月30日止年度及由2002年6月27日(註冊成立日期)至2003年6月30日止期間，本公司僅有一名董事收取酬金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(c) Details of the emoluments of employees as mentioned in note 10(b) above are as follows:

10. 董事及高級管理層酬金 (續)

(c) 上文附註10(b)所述的僱員酬金詳情如下：

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Bonuses	花紅	—	—
Salaries and allowances	薪金及津貼	845,149	692,381
Retirement scheme contributions	退休計劃供款	38,185	29,710
		883,334	722,091

The remuneration of the employees was in the following bands:

僱員酬金在以下範圍的人數如下：

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Emolument bands:	酬金範圍：		
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	4	4

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(d) During the year/period, no emoluments have been paid or payable by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

The Group remunerates its employees mainly based on industry's practices and individual's performance and experience. On top of regular remuneration, share options may be granted to eligible staff under the share option scheme adopted by the Company on 20 April 2004 by reference to the Group's performance as well as individual's performance.

11. RETIREMENT BENEFIT COSTS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution scheme managed by independent trustees. Under the MPF Scheme, both the Group and the employees make monthly contribution to the MPF Scheme at 5% of the employees' earnings as defined under the MPF legislation, subject to a cap of HK\$1,000 per month.

The contribution paid or payable by the Group for the MPF Scheme during the year/period are as follows:

10. 董事及高級管理層酬金 (續)

(d) 於年度／期間內，本集團並無向董事或最高薪酬的五名人士任何一名支付或應付任何酬金，以吸引彼等加入本集團或獎勵彼等加入本集團或作為失去職位的補償。

本集團僱員的薪酬主要根據行業慣例及僱員表現與經驗而釐定。除固定薪酬外，本公司已於2004年4月20日採納購股權計劃，據此按照本集團的表現及僱員表現向合資格員工授予購股權。

11. 退休福利成本

本集團設有強制性公積金計劃(「強積金計劃」)供所有合資格的香港僱員參加。強積金計劃乃由獨立託管人管理的界定供款計劃。在強積金計劃下，本集團及僱員均根據強積金條例每月向強積金計劃按僱員薪金的5%作供款，而供款的上限為每月1,000港元。

本集團於年度／期間內已付或應付強積金計劃的供款如下：

		For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間	For the year ended 30 June 2004 截至2004年 6月30日 止年度
		HK\$ 港元	HK\$ 港元
MPF Scheme contributions	強積金計劃供款	55,238	60,657

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

12. INTANGIBLE ASSETS

Group

12. 無形資產

集團

		Development costs 開發成本	Licences and patents 許可及專利	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元
Cost	成本			
Acquisitions of subsidiaries	收購附屬公司	2,871,531	2,458,032	5,329,563
Additions	增添	280,483	131,816	412,299
Write-off	撇賬	(55,046)	(274,309)	(329,355)
At 30 June 2003	於2003年6月30日	3,096,968	2,315,539	5,412,507
Amortisation	攤銷			
Acquisitions of subsidiaries	收購附屬公司	350,000	282,278	632,278
Charge to consolidated income statement	自綜合收益表中扣除	315,000	11,851	326,851
Amount capitalised as development costs	開發成本資本化的款額	—	280,483	280,483
Provided for the period	期間撥備	315,000	292,334	607,334
Write-off	撇賬	—	(55,046)	(55,046)
At 30 June 2003	於2003年6月30日	665,000	519,566	1,184,566
Net book value	賬面淨值			
At 30 June 2003	於2003年6月30日	2,431,968	1,795,973	4,227,941
Cost	成本			
At 1 July 2003	於2003年7月1日	3,096,968	2,315,539	5,412,507
Additions	增添	289,642	411,923	701,565
At 30 June 2004	於2004年6月30日	3,386,610	2,727,462	6,114,072
Amortisation	攤銷			
At 1 July 2003	於2003年7月1日	665,000	519,566	1,184,566
Charge to consolidated income statement	自綜合收益表中扣除	420,000	27,214	447,214
Amount capitalised as development costs	開發成本資本化的款額	—	289,642	289,642
Provided for the year	年度撥備	420,000	316,856	736,856
At 30 June 2004	於2004年6月30日	1,085,000	836,422	1,921,422
Net book value	賬面淨值			
At 30 June 2004	於2004年6月30日	2,301,610	1,891,040	4,192,650

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

12. INTANGIBLE ASSETS (Continued)

Group (Continued)

Licences and patents are expenditures of licences and patents where future economic benefits are expected to flow to the Group. For those licences and patents which the Directors currently do not anticipate any income flow from future testing services, the relevant costs will be charged to the consolidated income statement in the year/period in which they are incurred.

Research costs are charged to consolidated income statement in the year/period in which they are incurred as research and development expenses. Development costs are recognised as intangible assets only when such costs are incurred for specific testing services where recoverability can be foreseen with reasonable assurance. Otherwise, development costs will be charged to consolidated income statement in the year/period in which they are incurred. The development costs mainly comprised (i) consideration for the consultancy agreement paid/payable to The Chinese University of Hong Kong and (ii) the amortisation of licences and patents in relation to the future testing services under development and capitalised as development costs.

12. 無形資產(續)

集團(續)

許可及專利內包括預期將有未來經濟利益流入本集團的許可及專利費用。至於董事目前不預期將有任何收益流入的未來測試服務的許可及專利，有關的成本將於其產生的年度／期間從綜合收益表扣除。

研究成本於其作為研究及開發費用產生的年度／期間從綜合收益表扣除。如開發成本是用作特定測試服務，並且有合理保證日後可收回成本，則開發成本方可確認為無形資產。否則，開發成本將於其產生的年度／期間從綜合收益表扣除。開發成本主要包括(i)就顧問協議已付／應付香港中文大學的代價；(ii)有關開發中未來測試服務的許可及專利的攤銷並資本化的開發成本。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

13. PLANT AND EQUIPMENT

Group

13. 廠房及設備

集團

		Laboratory equipment	Leasehold improvements	Office equipment, furniture and fixtures 辦公室 設備、傢具 及裝置	Motor vehicles	Total
		化驗所 設備 HK\$ 港元	租賃 改善工程 HK\$ 港元	設備、傢具 及裝置 HK\$ 港元	汽車 HK\$ 港元	合計 HK\$ 港元
Cost	成本					
Acquisitions of subsidiaries	收購附屬公司	973,417	181,972	530,521	94,206	1,780,116
Additions	增添	20,948	250,660	87,512	—	359,120
Write-off	撇賬	(900)	(181,972)	(24,295)	—	(207,167)
At 30 June 2003	於2003年6月30日	993,465	250,660	593,738	94,206	1,932,069
Accumulated depreciation	累計折舊					
Acquisitions of subsidiaries	收購附屬公司	181,119	136,479	99,890	—	417,488
Charge for the period	期間費用	148,347	66,336	141,533	65,220	421,436
Write-off	撇賬	(255)	(181,972)	(6,883)	—	(189,110)
At 30 June 2003	於2003年6月30日	329,211	20,843	234,540	65,220	649,814
Net book value	賬面淨值					
At 30 June 2003	於2003年6月30日	664,254	229,817	359,198	28,986	1,282,255
Cost	成本					
At 1 July 2003	於2003年7月1日	993,465	250,660	593,738	94,206	1,932,069
Additions	增添	44,185	18,832	17,423	—	80,440
Write-off	撇賬	—	—	(3,383)	—	(3,383)
At 30 June 2004	於2004年6月30日	1,037,650	269,492	607,778	94,206	2,009,126
Accumulated depreciation	累計折舊					
At 1 July 2003	於2003年7月1日	329,211	20,843	234,540	65,220	649,814
Charge for the year	年度費用	204,566	52,643	154,096	28,986	440,291
Write-off	撇賬	—	—	(3,383)	—	(3,383)
At 30 June 2004	於2004年6月30日	533,777	73,486	385,253	94,206	1,086,722
Net book value	賬面淨值					
At 30 June 2004	於2004年6月30日	503,873	196,006	222,525	—	922,404

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

14. INVESTMENTS IN SUBSIDIARIES

Company

14. 於附屬公司的投資 公司

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Unlisted shares, at cost	非上市股份，按成本	8	8
Amounts due from subsidiaries	應收附屬公司欠款	11,530,794	7,801,623
Amounts due to subsidiaries	應付附屬公司款項	11,530,802 (49)	7,801,631 (753,568)
		11,530,753	7,048,063

The amounts due are unsecured, interest free and not repayable within the next twelve months.

該等款項為無抵押、免息且毋須於未來十二個月內還款。

Details of the subsidiaries at 30 June 2004 are as follows:

於2004年6月30日的附屬公司詳情如下：

Company 公司	Place of incorporation and operation and kind of legal entity 註冊成立及營業 地點及法律實體類別	Issued and fully paid share capital 已發行及 繳足股本	Attributable equity interest 應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chemosino International Limited	British Virgin Islands, Limited liability company 英屬處女群島， 有限責任公司	Ordinary shares US\$1 普通股 1美元	100%	-	Investment holding 投資控股
3 Ben Genomics Hong Kong Ltd.	Republic of Mauritius, Hong Kong, Limited liability company 毛里求斯共和國， 香港， 有限責任公司	Ordinary shares US\$100 普通股 100美元	-	100%	Research and development 研究與開發
Plasmagene Limited 普施基因有限公司	Hong Kong, Limited liability company 香港， 有限責任公司	Ordinary shares HK\$12,000,000 普通股 12,000,000港元	-	100%	Diagnostic testing services and products, and related research and development 診斷測試 服務及 產品，以 及相關研 究與開發
Celltech Limited	Hong Kong, Limited liability company 香港， 有限責任公司	Ordinary shares HK\$100 普通股 100港元	-	100%	Not yet commenced business 仍未啟業

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

15. INVENTORIES

Group

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Pharmaceutical supplies	醫藥供需品	41,997	2,784

At the balance sheet date, all inventories are carried at cost.

15. 存貨

集團

於結算日，所有存貨均按成本列賬。

16. TRADE RECEIVABLES

Group

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Trade receivables	應收貿易賬款	148,010	207,740

The Group's policy is to allow an average credit period of 30 days to its trade customers. The following is an aged analysis of the trade receivables at the balance sheet date:

16. 應收貿易賬款

集團

本集團的政策是為貿易客戶提供平均30天的信貸期。以下為於結算日的應收貿易賬款賬齡分析：

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
0 – 30 days	0至30日	116,840	168,690
31 – 60 days	31至60日	23,410	33,910
61 – 90 days	61至90日	3,880	1,410
> 90 days	超過90日	3,880	3,730
		148,010	207,740

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

16. TRADE RECEIVABLES (Continued)

Breakdown of trade receivables is as follows:

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Trade receivables	應收貿易賬款	148,010	207,740
Less: Provision for doubtful debts	減：呆賬撥備	—	—
		148,010	207,740

17. AMOUNT DUE FROM A RELATED COMPANY Group

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Wellchamp Capital Limited		—	2,829

The balance represents amount due from Wellchamp Capital Limited of which Mr. Cheng Yan Tak, Angus Ronald is a director and beneficial shareholder. The amount due is unsecured, interest free and repayable on demand. The maximum balances outstanding during the year ended 30 June 2004 and period ended 30 June 2003 were HK\$4,460 and HK\$2,829 respectively.

18. AMOUNTS DUE FROM DIRECTORS

Group and Company

The balance at 30 June 2003 represents proceeds from disposal of shares of Century Year Company Limited as described in note 1 to the financial statements. The proceeds are receivable from Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret. The amounts due are unsecured, interest free and the outstanding balances were fully settled during the year ended 30 June 2004. The maximum balances outstanding during the year/period ended 30 June 2004 and 2003 were HK\$3,892,078.

16. 應收貿易賬款 (續)

應收貿易賬款的分析如下：

17. 應收關連公司款項 集團

該筆結餘乃指Wellchamp Capital Limited應付的欠款。鄭恩德先生為該公司的董事兼實益股東。所欠款項屬無抵押、免息並須按要求隨時付還。於截至2004年6月30日止年度及截至2003年6月30日止期間內，未償還最高結餘分別為4,460港元及2,829港元。

18. 應收董事款項

集團及公司

於2003年6月30日的結餘乃指財務報表附註1所述出售Century Year Company Limited股份所得的款項。該筆款項為應收楊華顯醫生和楊徐美玲女士的所得款項，且為無抵押、免息，而未償還餘額已於截至2004年6月30日止年度內全數償還。截至2004年6月30日止年度及截至2003年6月30日止期間的未償還最高結餘為3,892,078港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

19. AMOUNTS DUE TO RELATED COMPANIES

Group

	Note 附註	2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
New Oxford Management Limited	a	—	3,178,985
Century Year Company Limited	b	—	419,191
Wellchamp Capital Limited	c	413	—
		413	3,598,176

Company

	Note 附註	2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
New Oxford Management Limited	a	—	3,178,985
Century Year Company Limited	b	—	419,191
		—	3,598,176

Notes:

- (a) The balance at 30 June 2003 mainly comprised the net balance payable on disposals of shares of Plasmagene Limited, 3 Ben Genomics Hong Kong Ltd. and Celltech Limited to the Group.
- (b) The balance at 30 June 2003 represents amount due to Century Year Company Limited, a former intermediate holding company of Plasmagene Limited, 3 Ben Genomic Hong Kong Ltd. and Celltech Limited prior to its disposal on 25 June 2003.
- (c) As explained in note 17 to the financial statements.

附註：

- (a) 於2003年6月30日的結餘主要包括出售普施基因有限公司、3 Ben Genomics Hong Kong Ltd. 和Celltech Limited 股份時本集團應付的結餘淨額。
- (b) 於2003年6月30日的結餘乃指應付Century Year Company Limited 的款項。該公司於2003年6月25日出售前為普施基因有限公司、3 Ben Genomics Hong Kong Ltd. 和Celltech Limited 的中間控股公司。
- (c) 如財務報表附註17所闡釋。

20. AMOUNT DUE TO A SHAREHOLDER

Group

The balance at 30 June 2003 represents amount due to Spring Biotech Limited. The amount due was unsecured, interest free and repaid during the year ended 30 June 2004.

20. 應付一名股東款項

集團

於2003年6月30日的結餘乃指應付Spring Biotech Limited 的款項。該筆款項為無抵押、免息，並已於截至2004年6月30日止年度內償還。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

21. CONVERTIBLE NOTES

Group and Company

On 14, 16 and 27 December 2002, the Company issued non-interest bearing Convertible Notes totalling HK\$21,500,000. Pursuant to the terms of the Convertible Notes:

- (a) Initial conversion of 30% of the aggregate nominal value of the notes into 25,800,000 ordinary shares of HK\$0.01 each of the Company took place on 17 June 2004 which was immediately before the listing date of the Company's shares on GEM.
- (b) Second conversion of 40% of the aggregate nominal value of the notes into 34,400,000 ordinary shares of HK\$0.01 each of the Company will take place on the date six months after the listing date of the Company's shares on GEM.
- (c) Final conversion of the remaining 30% of the aggregate nominal value of the notes into 25,800,000 ordinary shares of HK\$0.01 each of the Company will take place on the date twelve months after the listing date of the Company's shares on GEM.

On the basis of no share consolidation or sub-division, conversion price was fixed at HK\$0.25 which represents 50% of the price for placing and public offer.

The Convertible Notes are secured by a pledge of the shares of Plasmagene Limited and intellectual properties of the Group, personal guarantees executed by Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret, and corporate guarantees executed by the Group. The pledges of assets, personal and corporate guarantees ceased to be of any effect since the listing date of the Company's shares on GEM.

Further details of the convertible notes are set out in the prospectus of the Company dated 8 June 2004.

21. 可換股票據

集團及公司

於2002年12月14日、16日及27日，本公司發行總額21,500,000港元的非計息可換股票據。根據該等可換股票據的條款：

- (a) 首次換股已於2004年6月17日（即緊接本公司股份於創業板上市的日期前）進行，涉及將票據總面值的30%轉換為25,800,000股每股面值0.01港元的本公司普通股股份。
- (b) 第二次換股將於本公司股份於創業板上市日期後滿六個月當日進行，涉及將票據總面值的40%轉換為34,400,000股每股面值0.01港元的本公司普通股股份。
- (c) 最後一次換股將於本公司股份於創業板上市日期後滿一年當日進行，涉及將票據總面值餘下的30%轉換為25,800,000股每股面值0.01港元的本公司普通股股份。

按並無股份合併或拆細的基準，換股價定為0.25港元，該價格為配售及公開發售的價格的50%。

可換股票據以普施基因有限公司股份及本集團知識產權的抵押、楊華顯醫生及楊徐美玲女士簽立的個人擔保及本集團簽立的公司擔保作抵押。資產抵押、個人及公司擔保由本公司股份於創業板上市當日起不再具效力。

可換股票據的進一步詳情載於日期為2004年6月8日的本公司招股章程。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

22. DEFERRED TAXATION

Group

The major components of the unprovided deferred taxation of the Group at 30 June 2003 and 2004 are as follows.

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Accelerated depreciation allowance	加速折舊抵免	(28,077)	(78,289)
Temporary difference relating to the capitalisation of licences, patents and development costs	與許可、專利及開發成本資本化有關的暫時差額	(614,229)	(533,740)
Future benefits of tax losses	稅項虧損的未來利益	2,354,560	1,620,828
		1,712,254	1,008,799

No deferred tax assets has been recognised as the generation of future taxable profits against which the assets can be utilised is uncertain. The tax losses can be carried forward indefinitely.

Company

The Company has no material deferred tax assets or liabilities.

22. 遞延稅項

集團

本集團於2003年及2004年6月30日的未撥備遞延稅項主要部分如下。

由於未能確定未來產生的應課稅溢利能否抵銷可動用的遞延稅項資產，故並無確認該等遞延稅項資產。稅項虧損可無限期結轉。

公司

本公司並無重大遞延稅項資產或負債。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

23. SHARE CAPITAL

23. 股本

		Number of shares 股份數目	Nominal Value 面值 HK\$ 港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股股份		
Authorised	法定		
Upon incorporation (note a)	於註冊成立時(附註a)	5,000,000	50,000
Increase in authorised share capital (note b)	法定股本增加(附註b)	995,000,000	9,950,000
At 30 June 2003 and 30 June 2004	於2003年6月30日及2004年6月30日	1,000,000,000	10,000,000
Issued and fully paid	已發行及繳足		
Shares issued upon incorporation (note a)	於註冊成立時發行的股份(附註a)	1	—
Shares issued for acquisition of subsidiaries pursuant to the Reorganisation (note c)	根據重組而收購附屬公司所發行的股份(附註c)	999,999	10,000
Shares issued for cash (note d)	為換取現金而發行的股份(附註d)	10,000	100
At 30 June 2003	於2003年6月30日	1,010,000	10,100
Capitalisation issue of shares (note e)	資本化發行股份(附註e)	236,990,000	2,369,900
Initial conversion of Convertible Notes (note f)	首次轉換可換股票據(附註f)	25,800,000	258,000
Proceeds from issue of shares by placing and public offer (note g)	以配售及公開發售方式發行股份所得款項(附註g)	64,000,000	640,000
At 30 June 2004	於2004年6月30日	327,800,000	3,278,000

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

23. SHARE CAPITAL (Continued)

Notes:

- (a) The Company was incorporated in the Cayman Islands on 27 June 2002 with an authorised share capital of HK\$50,000 divided into 5,000,000 shares of HK\$0.01 each. On the same date, one share of HK\$0.01 was allotted and issued to the initial subscriber and such share was then transferred to Dr. Yeung Wah Hin, Alex on 1 August 2002.
- (b) On 6 September 2002, the Company increased its authorised share capital from HK\$50,000 to HK\$10,000,000 by the creation of an additional 995,000,000 shares of HK\$0.01 each, ranking pari passu in all respects with the existing shares of the Company.
- (c) On 20 September 2002 and 24 October 2002, the Company allotted and issued, credited as fully paid, a total of 999,999 shares as consideration for the exchange of the entire share capital of subsidiaries in connection with the Reorganisation referred to in note 1 to the financial statements. All the shares which were issued during the period rank pari passu in all respects.
- (d) On 24 October 2002, 10,000 shares of HK\$0.01 each were issued for cash at par to Dr. Yeung Wah Hin, Alex.
- (e) On 17 June 2004, share premium of HK\$2,369,900 were capitalised for the issue of 236,990,000 shares of HK\$0.01 each on a pro-rata basis to the Company's shareholders registered on 20 April 2004.
- (f) Pursuant to a subscription agreement dated 4 December 2002, 25,800,000 shares of HK\$0.01 each were issued and allotted to noteholders of Convertible Notes of HK\$6,450,000 on 17 June 2004.
- (g) On 17 June 2004, 64,000,000 shares of HK\$0.01 each were issued at HK\$0.5 per share through placing and public offer, resulting in net cash proceeds of approximately HK\$22,385,000.

23. 股本 (續)

附註：

- (a) 本公司於2002年6月27日在開曼群島註冊成立，法定股本為50,000港元，分為5,000,000股每股面值0.01港元的股份。同日，一股面值0.01港元的股份配發及發行予初步認購人，其後該股股份於2002年8月1日轉讓予楊華顯醫生。
- (b) 於2002年9月6日，本公司透過額外增設995,000,000股每股面值0.01港元的股份，將其法定股本由50,000港元增加至10,000,000港元，該批新股份與本公司現有股份在各方面享有同等權益。
- (c) 於2002年9月20日及2002年10月24日，本公司配發及發行（均入賬列作繳足股款）合共999,999股股份，作為與重組（如財務報表附註1所述）有關交換附屬公司全部股本之代價。期間發行的所有股份在各方面均享有同等權益。
- (d) 於2002年10月24日，10,000股每股面值0.01港元的股份，按面值發行予楊華顯醫生，以換取現金。
- (e) 於2004年6月17日，已就發行236,990,000股每股面值0.01港元的股份以按比例配發予於2004年4月20日名列本公司股東名冊的股東而將股份溢價2,369,900港元資本化。
- (f) 根據日期為2002年12月4日的認購協議，已於2004年6月17日發行及配發25,800,000股每股面值0.01港元的股份予持有總額6,450,000港元的可換股票據的票據持有人。
- (g) 於2004年6月17日，透過配售及公開發售發行64,000,000股每股面值0.01港元的股份，每股作價0.5港元，由此所得的現金款項淨額約為22,385,000港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

24. RESERVES

Group

The Group's reserves and the movements for the year/period are presented in the consolidated statement of changes in equity on page 39.

Company

24. 儲備

集團

年度／期間內本集團的儲備款額及當中的變動已載列於第39頁的綜合權益變動報表內。

公司

		Share premium	Accumulated losses	Total
		股份溢價	累計虧損	總計
		HK\$	HK\$	HK\$
		港元	港元	港元
Acquisition of subsidiaries in the Reorganisation	於重組時收購附屬公司	7,727,060	—	7,727,060
Loss for the period	期間虧損	—	(464,562)	(464,562)
Balance at 30 June 2003	於2003年6月30日結餘	7,727,060	(464,562)	7,262,498
Capitalisation issue of shares	資本化發行股份	(2,369,900)	—	(2,369,900)
Initial conversion of Convertible Notes	首次轉換可換股票據	6,192,000	—	6,192,000
Proceeds from issue of shares by placing and public offer	以配售及公開發售方式發行股份所得款項	31,360,000	—	31,360,000
Share issue expenses	股份發行開支	(9,614,792)	—	(9,614,792)
Loss for the year	年度虧損	—	(1,123,222)	(1,123,222)
Balance at 30 June 2004	於2004年6月30日結餘	33,294,368	(1,587,784)	31,706,584

The Company's reserves available for distribution comprise share premium and accumulated profits. Under the Companies Law of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

At 30 June 2004, the Company's distributable reserves amounted to HK\$31,706,584 (2003: HK\$7,262,498).

本公司可供分派的儲備包括股份溢價及累計溢利。根據開曼群島公司法，股份溢價可供分派予股東，惟在下列情況下本公司不得宣派或派付股息，或從股份溢價中作出分派：(i) 在分派後即會或將會無法如期償還負債，或(ii)其資產的可變現價值將因此減至低於其負債與已發行股本賬的總和。

於2004年6月30日，本公司的可供分派儲備為31,706,584港元（2003年：7,262,498港元）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

25. ACQUISITION OF SUBSIDIARIES

25. 收購附屬公司

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Net assets acquired:	所收購資產淨值：		
Intangible assets	無形資產	—	4,697,285
Plant and equipment	廠房及設備	—	1,362,628
Inventories	存貨	—	13,754
Trade receivables	應收貿易賬款	—	133,430
Other receivables and prepayments	其他應收款項及預付款項	—	2,735,862
Amounts due from related companies	應收關連公司款項	—	43,300
Cash and bank balances	現金及銀行結餘	—	1,107,896
Amount due to a shareholder	應付一名股東款項	—	(655,848)
Other payables and accrued charges	其他應付款項及應計費用	—	(1,353,408)
Amounts due to directors	應付董事款項	—	(347,839)
		—	7,737,060
Satisfied by:	付款方式：		
Issue of 10,000 ordinary shares of the Company at premium	以溢價發行10,000股本公司普通股股份	—	7,737,060
Analysis of net inflow of cash and cash equivalents in connection with acquisition of subsidiaries:	有關收購附屬公司的現金及現金等值物淨流入分析：		
Cash consideration paid	已付現金代價	—	—
Cash and bank balances acquired	所收購的現金及銀行結餘	—	1,107,896
Net cash inflow in respect of the acquisition of subsidiaries	有關收購附屬公司的現金淨流入	—	1,107,896

The subsidiaries acquired during the period ended 30 June 2003 contributed HK\$1,087,670 to the Group's turnover and a loss of HK\$3,176,090 to the Group's loss before taxation.

於截至2003年6月30日止期間內收購的附屬公司為本集團營業額貢獻1,087,670港元及為本集團除稅前虧損貢獻虧損3,176,090港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

26. DISPOSAL OF SUBSIDIARIES

26. 出售附屬公司

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Net assets disposed of:	所出售資產淨值：		
Amounts due from related companies	應收關連公司款項	—	3,624,177
Other receivables and prepayments	其他應收款項及預付款項	—	177,092
Cash and bank balances	現金及銀行結餘	—	219,350
Other payables and accrued charges	其他應付款項及應計費用	—	(79,201)
Amounts due to directors	應付董事款項	—	(50,825)
		—	3,890,593
Cash consideration	現金代價	—	3,892,078
Gain on disposal of subsidiaries	出售附屬公司收益	—	1,485
Analysis of net outflow of cash and cash equivalents in connection with disposal of subsidiaries:	有關出售附屬公司的現金及現金等值物淨流出分析：		
Cash consideration	現金代價	—	3,892,078
Less: cash consideration receivables	減：應收現金代價	—	(3,892,078)
Cash and bank balances disposed of	所出售的現金及銀行結餘	—	(219,350)
Net cash outflow in respect of the disposal of subsidiaries	有關出售附屬公司的現金淨流出	—	(219,350)

Certain subsidiaries acquired during the period ended 30 June 2003 were disposed of during the same period. These subsidiaries did not make significant contribution to the Group's turnover and loss before taxation.

於截至2003年6月30日止期間收購的若干附屬公司已於同期間出售。該等附屬公司並未為本集團營業額及除稅前虧損帶來重大貢獻。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES

During the year/period, the Group had the following transactions with related parties:

27. 關連人士交易及結餘

本集團於年度／期間內與關連人士有以下交易：

Nature of transactions	交易性質	Notes 附註	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間	
			For the year ended 30 June 2004 截至2004年 6月30日 止年度	HK\$ 港元
First Oriental Nuclear Medicine Limited Consultancy fees received	向First Oriental Nuclear Medicine Limited收取的顧問費	a	—	315,000
Century Year Company Limited Purchase of plant and equipment	向Century Year Company Limited 購買廠房及設備	b	—	279,191
Spring Biotech Limited Sales of diagnostic testing services	向Spring Biotech Limited 銷售診斷測試服務	c	771,975	428,790
Wellchamp Capital Limited Net rental and utility charges reimbursed	收取Wellchamp Capital Limited 的租金收入及水電費淨額	d	310,700	33,402

Notes:

- (a) Consultancy fees were received from First Oriental Nuclear Medicine Limited ("FONML") by Century Year Company Limited (a subsidiary company from 20 September 2002 to 25 June 2003). Dr. Yeung Wah Hin, Alex was interested as a director and beneficial shareholder and Mrs. Yeung Tsui Mai Ling, Margaret was interested as a beneficial shareholder of FONML.
- (b) The Group acquired plant and equipment from Century Year Company Limited ("Century Year") amounting to HK\$279,191. Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret are interested in the transaction as directors and beneficial shareholders of Century Year.
- (c) Sales of diagnostic testing services made to Spring Biotech Limited, a shareholder of the Company. The Group had trade receivables of HK\$37,300 and HK\$109,200 due from Spring Biotech Limited as at 30 June 2004 and 2003 respectively. Mr. Cho Kam Luk, a Director, was interested as a director and beneficial shareholder of Spring Biotech Limited. The maximum outstanding balance for the year/period ended 30 June 2004 and 2003 was HK\$330,035 and HK\$155,650 respectively.

附註：

- (a) Century Year Company Limited(由2002年9月20日起至2003年6月25日止為附屬公司)自First Oriental Nuclear Medicine Limited(「FONML」)收取顧問費。楊華顯醫生及楊徐美玲女士分別以FONML董事兼實益股東的身份於該交易持有權益。
- (b) 本集團向Century Year Company Limited(「Century Year」)收購其廠房及設備，達279,191港元。楊華顯醫生及楊徐美玲女士為Century Year的董事兼實益股東，於該交易持有權益。
- (c) 此項交易指向本公司的股東Spring Biotech Limited銷售診斷測試服務。於2004年及2003年6月30日，本集團的應收貿易賬款為應收Spring Biotech Limited的欠款，分別為37,300港元及109,200港元。董事曹金陸先生為Spring Biotech Limited的董事兼實益股東，於該交易持有權益。截至2004年及2003年6月30日止年度／期間的未償還最高結餘分別為330,035港元及155,650港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Pursuant to an agreement dated 29 August 2003, the Group sub-leased part of its office premises to Wellchamp Capital Limited ("Wellchamp") for the period from 26 May 2003 to 25 May 2004 at a monthly rental of HK\$25,000. A renewal agreement was entered into by Company with Wellchamp on 26 July 2004 to extend sub-leasing period to 12 February 2005 with the same terms. A net amount of HK\$310,700 and HK\$33,402 was paid by Wellchamp to the Group as rental and utility charges during the year/period ended 30 June 2004 and 2003 respectively. Mr. Cheng Yan Tak, Angus Ronald is interested in the transactions as a director and shareholder of Wellchamp. The Group had other payable of HK\$413 as at 30 June 2004 and other receivable of HK\$2,829 as at 30 June 2003 with Wellchamp.

(e) The Group entered into the following agreements with Dr. Yeung Wah Hin, Alex:

- (i) a deed of assignment of patent dated 6 September 2002 whereby Dr. Yeung Wah Hin, Alex assigned and transferred all the intellectual property rights, title and interests in PCT International treaty application relating to "treatment of cancer and other diseases by administration of positron-emitting radiopharmaceutical" to the Group for a consideration of HK\$1.
- (ii) a deed of assignment of patent dated 24 September 2003 whereby Dr. Yeung Wah Hin, Alex assigned all of his rights, title and interests in United States patent application relating to "new sensitive diagnostic testing methodology using multiplex real time PCR with one dye and its use in diagnostic of severe acute respiratory syndrome" to the Group for a consideration of HK\$1.
- (iii) a deed of assignment of patent dated 17 February 2004 whereby Dr. Yeung Wah Hin, Alex assigned and transferred all of his rights, title and interests in respect of United States patent application by Dr. Yeung Wah Hin, Alex and Professor Lo Yuk Ming, Dennis relating to "the combination of circulating EBV DNA in the serum or plasma of patients and a method to assess EBV sub-types for the prediction and detection of EBV associated cancers" to the Group for a consideration of HK\$1.

27. 關連人士交易及結餘(續)

(d) 根據於2003年8月29日訂立的協議，本公司將其辦公室的一部份分租予Wellchamp Capital Limited(「Wellchamp」)，期限由2003年5月26日起至2004年5月25日止，月租25,000港元。本公司與Wellchamp於2004年7月26日訂立重續協議，以將分租期限按相同條款延長至2005年2月12日。截至2004年及2003年6月30日止年度/期間，Wellchamp向本集團支付的租金及水電費淨額分別為310,700港元及33,402港元。鄭恩德先生為Wellchamp的董事兼股東，於該等交易持有權益。本集團於2004年6月30日有應付Wellchamp的其他款項413港元，而於2003年6月30日則有應收Wellchamp的其他款項2,829港元。

(e) 本集團與楊華顯醫生訂立以下協議：

- (i) 於2002年9月6日訂立的專利權轉讓契據，據此，楊華顯醫生向本集團轉讓及出讓所有PCT國際條約的知識產權、所有權及權益，該條約乃應用於「採用正電子放射性藥物治療癌症及其他疾病」，代價為1港元。
- (ii) 於2003年9月24日訂立的專利權轉讓契據，據此，楊華顯醫生向本集團轉讓所有關於「以一種染劑使用多重實時PCR的新敏感診斷測試方法及使用於診斷嚴重急性呼吸系統綜合症」的美國專利申請的權利、所有權及權益，代價為1港元。
- (iii) 於2004年2月17日訂立的專利權轉讓契約，據此，楊華顯醫生向本集團轉讓及出讓其於楊華顯醫生及盧煜明醫生有關「病人血清或血漿循環中EBV DNA及評估亞型EBV的方法以供預測及偵查EBV相關癌症」的美國專利申請的權利、所有權及權益，代價為1港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (iv) a deed of assignment of patent dated 8 April 2004 whereby Dr. Yeung Wah Hin, Alex assigned and transferred all of his rights, title and interests in respect of Republic of China (Taiwan) patent application relating to "treatment of cancer and other diseases by administration of positron-emitting radiopharmaceutical" to the Group for a consideration of HK\$1.
- (f) The Group entered into the following agreements with The Chinese University of Hong Kong:
- (i) a memorandum of understanding dated 10 July 2002 whereby they set out their intention to enter into a long term research collaboration relationship and the principles under which future co-operation between the two parties will be conducted.
- (ii) an exclusive licence agreement dated 31 July 2002 with the right to sub-licence to use the technology titled "Method for Evaluating Stroke or Cardiac Ischemia by Nucleic Acid Detection" and intellectual property right in connection with and relating to the making of, or authorising the making of, using and selling the licensed products in the licensed field of use anywhere in the world and for further development of the technology. Lump sum licence fees of HK\$35,000 are payable upon the granting of a licensed patent in each agreed country provided that the aggregate amount of lump sum payment shall not exceed HK\$1 million. Royalties on gross revenue and sub-licence fees received are payable at 10% and 25% respectively.
- (iii) an exclusive licence agreement dated 31 July 2002 with the right to sub-licence to use the technology titled "Method for Evaluating a Disease Condition by Nucleic Acid Detection and Fractionation" and intellectual property right in connection with and relating to the making of, or authorising the making of, using and selling the licensed products in the licensed field of use anywhere in the world and for further development of the technology. Lump sum licence fees of HK\$35,000 are payable upon the granting of a licensed patent in each agreed country provided that the aggregate amount of lump sum payment shall not exceed HK\$1 million. Royalties on gross revenue and sub-licence fees received are payable at 10% and 25% respectively.

27. 關連人士交易及結餘 (續)

- (iv) 於2004年4月8日訂立的專利權轉讓契約，據此，楊華顯醫生向本集團轉讓及出讓其在中華民國(台灣)提交的有關「採用正電子放射性藥物治療癌症及其他疾病」的專利申請的權利、所有權及權益，代價為1港元。
- (f) 本集團與香港中文大學訂立下列協議：
- (i) 於2002年7月10日訂立的諒解備忘錄，據此，雙方表示有意建立長期的研究夥伴關係，並就有關未來雙方之間的合作訂立原則。
- (ii) 於2002年7月31日訂立的專用許可協議，附帶轉授許可使用名為「採用核酸偵查以評估中風或心臟缺血方法」技術的權利，和就及有關於許可範圍內在全球各地製造、或授權製造、使用及銷售許可產品及進一步開發技術的知識產權。35,000港元的一次性許可費須於每個同意發出專利的國家發出許可專利後支付，惟一次性款項總額不得超過1,000,000港元。所賺取的總收入專利費及轉授許可費分別按10%及25%支付。
- (iii) 於2002年7月31日訂立的專用許可協議，附帶轉授許可使用名為「採用核酸偵查及分級以評估病況方法」技術的權利，和就及有關於許可範圍內在全球各地製造、或授權製造、使用及銷售許可產品及進一步開發技術的知識產權。35,000港元的一次性許可費須於每個同意發出專利的國家發出許可專利後支付，惟一次性款項總額不得超過1,000,000港元。所賺取的總收入專利費及轉授許可費分別按10%及25%支付。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (iv) an agreement dated 8 August 2002 and supplemental agreements dated 31 October 2003 and 16 April 2004, whereby the Company was granted a right of first refusal of an exclusive licence in respect of certain technology and invention developed by Professor Lo Yuk Ming, Dennis, the Company's designed consultant by The Chinese University of Hong Kong, in consideration for options to subscribe for shares of the Company. Further details of the agreement and the share options are set out in note 30(b) to the financial statements.
- (v) an exclusive licence agreement dated 15 August 2002 with the right to sub-licence to use the technology titled "Method for Classifying Pleural Effusions" and intellectual property right in connection with and relating to the making of, or authorising the making of, using and selling the licensed products in the licensed field of use anywhere in the world and for further development of the technology. Lump sum licence fees of HK\$35,000 are payable upon the granting of a licensed patent in each agreed country provided that the aggregate amount of lump sum payment shall not exceed HK\$1 million. Royalties on gross revenue and sub-licence fees received are payable at 10% and 25% respectively.
- (vi) an exclusive licence agreement dated 1 March 2003 with the right to sub-licence to use the technology titled "Circulating mRNA as Diagnostic Markers for Pregnancy-Related Disorders" and intellectual property right in connection with and relating to the making of, or authorising the making of, using and selling the licensed products in the licensed field of use anywhere in the world and for further development of the technology. Lump sum licence fees of HK\$35,000 are payable upon the granting of a licensed patent in each agreed country provided that the aggregate amount of lump sum payment shall not exceed HK\$1 million. Royalties on gross revenue and sub-licence fees received are payable at 10% and 25% respectively.
- (vii) a research collaboration agreement dated 6 June 2003 to undertake a collaborative research program for Treatment and Diagnosis of Severe Acute Respiratory Syndrome. The agreement set out their respective contributions and responsibilities to the research program and their respective interests in relation to the results of the research.

27. 關連人士交易及結餘(續)

- (iv) 於2002年8月8日訂立的一項協議及於2003年10月31日及2004年4月16日訂立的補充協議，據此，本公司獲香港中文大學授予一項有關由其指派予本公司之顧問盧煜明教授開發的若干技術及發明的專用許可的優先購買權，以換取可認購本公司股份的購股權。有關該協議及購股權計劃的其他詳情載於財務報表附註30(b)。
- (v) 於2002年8月15日訂立的專用許可協議，附帶向外轉授許可使用名為「胸膜滲漏分類方法」技術的權利，和就及有關於許可範圍內在全球各地製造、或授權製造、使用及銷售許可產品及進一步開發技術的知識產權。35,000港元的一次性許可費須於每個同意發出專利的國家發出許可專利後支付，惟一次性款項總額不得超過1,000,000港元。所賺取的總收入專利費及轉授許可費分別按10%及25%支付。
- (vi) 於2003年3月1日訂立的專用許可協議，附帶轉授許可使用名為「以循環mRNA作為與妊娠有關的疾病的診斷標記」技術的權利，和就及有關於許可範圍內在全球各地製造、或授權製造、使用及銷售許可產品及進一步開發技術的知識產權。35,000港元的一次性許可費須於每個同意發出專利的國家發出許可專利後支付，惟一次性款項總額不得超過1,000,000港元。所賺取的總收入專利費及轉授許可費分別按10%及25%支付。
- (vii) 於2003年6月6日訂立的研究合作協議，以進行一項治理及診斷嚴重急性呼吸系統綜合症的合作研究計劃。協議詳列雙方各自對研究計劃的貢獻及責任，以及雙方各自就研究成果擁有的權益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (viii) a non-exclusive and non-transferable agreement dated 15 October 2003 to apply and exploit the use of the technology related to "Prognostic PCR Assay for Severe Acute Respiratory Syndrome" to make, authorise the making of, use, process, supply and sell the product worldwide. Royalties are payable at 5% of net sales value.
- (g) At 30 June 2004 and 2003, the Group had other payable of HK\$213,366 and HK\$952,868 respectively due to The Chinese University of Hong Kong.
- (h) During the year, the Group entered into a termination agreement with Spring Biotech (China) Limited relating to the termination of an exclusive sub-licence agreement dated 25 February 2002 entered into between the same parties in respect of the sub-licence of certain technology of the Group in the People's Republic of China. Mr. Cho Kam Luk, a Director, is interested in this transaction to the extent that he is a beneficial shareholder of Spring Biotech (China) Limited.

27. 關連人士交易及結餘 (續)

- (viii) 於2003年10月15日訂立的非獨家及不可轉讓協議，以應用及採用與「嚴重急性呼吸系統綜合症預後PCR測定」，以於全球製造、授權製造、使用、加工、供應及出售產品。應付的專利費為銷售淨值的5%。
- (g) 於2004年及2003年6月30日，本集團應付香港中文大學的其他款項分別為213,366港元及952,868港元。
- (h) 年內，本集團與Spring Biotech (China) Limited訂立終止協議，內容有關終止相同訂約方於2002年2月25日就轉授許可可在中華人民共和國使用若干本集團技術而訂立的獨家轉授許可協議。董事曹金陸先生為Spring Biotech (China) Limited的實益股東，於此項交易擁有權益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

28. OPERATING LEASES COMMITMENTS

At the balance sheet dates, the Group and the Company had the following outstanding commitments under non-cancellable operating leases in respect of land and buildings as follows:

		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元
Within 1 year	一年內	490,746	1,327,436
After 1 year but within 5 years	一年後但於五年內	—	490,746
After 5 years	五年後	—	—
		490,746	1,818,182

29. CAPITAL COMMITMENTS

As at 30 June 2004 and 2003, the Group and the Company had no significant capital commitment.

30. SHARE OPTION

(a) Share option scheme (the "Share Option Scheme") was adopted by the shareholders of the Company on 20 April 2004 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The board of Directors (the "Board") may, at its discretion, invite any employee, Directors, advisor, consultant, licensors, distributors, suppliers, agents, customers, joint venture partners, strategic partners and services providers of and/or to any member of the Group whom the Board considers in its sole discretion, to have contributed to the Group from time to time (together "Participants") to take up options to subscribe for shares of the Company ("Options").

Options granted should be accepted within 14 days from the date of grant. Upon acceptance of the Options, the eligible person shall pay HK\$1 to the Company by way of consideration for the grant. The Options may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period after the Options has been granted by the Board. An option period is a period to be determined by the Board in its absolute discretion and notified by the Board to each eligible person as being the period during which any Options may be exercised, such period to expire not later than 10 years after the date of grant of the Options.

28. 經營租約承擔

於各結算日，本集團及本公司根據不可撤銷的經營租約就土地及樓宇有下列未償還承擔：

29. 資本承擔

於2004年及2003年6月30日，本集團及本公司並無重大資本承擔。

30. 購股權

(a) 本公司股東於2004年4月20日採納購股權計劃（「購股權計劃」），以激勵及獎勵為本集團業務的成功作出貢獻的合資格參與者。

董事會（「董事會」）可全權邀請董事會全權認為其不時對本集團有貢獻的本集團及／或本集團任何成員公司的任何僱員、董事、諮詢人、顧問、許可授權人、分銷商、供應商、代理人、客戶、合資夥伴、策略夥伴及服務供應商（統稱「參與者」）接受可認購本公司股份的購股權（「購股權」）。

授出的購股權須於授出日期起計14日內予以接納。合資格人士於接納購股權後須向本公司支付1港元作為獲授予購股權的代價。購股權可按購股權計劃的條款於董事會授出購股權後在購股權期間隨時行使。購股權期間乃由董事會全權釐定的期間，並由董事會通知各承授人購股權可於該期間行使，該期間指於授出購股權當日後起計不得超過10年屆滿。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

30. SHARE OPTION (Continued)

The subscription price will be determined by the Board of the Company at its absolute discretion and shall be no less than the highest of: (a) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant which must be a business day; and (b) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

The total number of shares which may be issued upon exercise of all outstanding options granted or to be granted under the Share Option Scheme is 32,780,000 shares representing 10% of the issued share capital of the Company as at the date of this annual report.

No Participants shall be granted an option which, if exercised in full, would result in such Participants becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued under all the options previously granted to him or her which have been exercised, and, issuable under all the outstanding options previously granted to him or her which are for the time being subsisting and unexercised, would exceed 1% of the total number of shares in issue in any 12-month period up to the date of grant of the Options.

Unless early terminated in accordance with the terms therein, the Share Option Scheme will remain valid and effective for a period of 10 years commencing on 18 June 2004.

No options under the Share Option Scheme were granted during the year ended 30 June 2004.

30. 購股權 (續)

認購價將由本公司董事會全權釐定，並且不得少於下列三者中的最高者：(a)授出當日(必須為營業日)聯交所發出的每日報價表所載的股份收市價；及(b)聯交所發出的每日報價表所載的緊接授出日期前五個營業日的股份平均收市價；及(c)股份面值。

根據購股權計劃已授出或將授出的全部正流通的購股權倘獲行使而可能發行的股份總數為32,780,000股，佔本公司於本年報日期的已發行股本10%。

直至授出購股權當日止的任何十二個月期間，倘先前向某位參與者授出購股權因悉數行使而導致該名參與者有權認購的該等股份數目連同先前根據所有授予的已行使購股權而獲發行及未行使而未發行的股份合計總數超過已發行股份數目的1%，則該參與者將不獲授購股權。

除非購股權計劃按照其條款提早終止，否則購股權計劃由2004年6月18日起計10年期間內維持有效。

於截至2004年6月30日止年度內，並無根據購股權計劃授出購股權。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

30. SHARE OPTION (Continued)

- (b) Under an agreement entered into between the Chinese University of Hong Kong and the Company on 8 August 2002 relating to the grant of a right of first refusal to the Company by the Chinese University of Hong Kong in respect of certain technology and inventions, as amended and supplemented by agreements dated 31 October 2003 and 16 April 2004 (the "Right of First Refusal Agreement"), the Company will be offered a right of first refusal for the grant by the Chinese University of Hong Kong of a royalty-bearing exclusive licence to use and commercially develop certain technologies and inventions and other non-invasive diagnostic technologies for detecting cancer and foetal diseases developed by Professor Lo Yuk Ming, Dennis in future.

In return, the Company agreed to grant to the Chinese University of Hong Kong or such person as the Chinese University of Hong Kong may direct (including trustees of any funds) options to subscribe for shares or to pay cash up to a maximum amount of HK\$4,600,000 over the period of the term of such agreement of four years commencing from 18 June 2004. Such grant of options will be granted to the Chinese University of Hong Kong at intervals of twelve months. Such options are not intended to be granted under the share option scheme adopted by the Company on 20 April 2004. As at the date hereof, no option has been granted to the Chinese University of Hong Kong under the Right of First Refusal Agreement.

30. 購股權 (續)

- (b) 根據香港中文大學與本公司於2002年8月8日訂立有關香港中文大學授予本公司優先購買若干技術及發明的權利的協議(經日期為2003年10月31日及2004年4月16日的協議修改及補充)(「優先購買權協議」)，本公司將享有獲香港中文大學授予須支付專利權費的專用許可的優先購買權，可以使用及以商業形式開發盧煜明教授日後所研發的若干技術及發明及其他用以偵查癌症及胎兒疾病的非創傷性診斷技術。

本公司則同意授予香港中文大學或香港中文大學指定的人士(包括任何基金的受託人)購股權，可以由2004年6月18日起計的該協議的四年期限內認購股份或支付最高達金額4,600,000港元的現金，以作交換。該等購股權將每次相隔十二個月授予香港中文大學。該等購股權不擬根據本公司於2004年4月20日採納的購股權計劃授出。於本年報日期，並無根據優先購買權協議授出購股權。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Analysis of changes in financing activities during the year/period:

31. 綜合現金流量表附註

(a) 年度／期間內的融資活動變動分析：

		Share capital including premium 股本 (包括溢價) HK\$ 港元	Convertible notes 可換股 票據 HK\$ 港元
Cash inflow from financing activities	來自融資活動的現金流入	100	21,500,000
Acquisition of subsidiaries in the Reorganisation	於重組時收購附屬公司	7,737,060	—
Balance as at 30 June 2003	於2003年6月30日結餘	7,737,160	21,500,000
Initial conversion of Convertible Notes	首次轉換可換股票據	6,450,000	(6,450,000)
Proceeds from issue of shares by placing and public offer	以配售及公開發售方式發行股份 所得款項	32,000,000	—
Placing and public offer shares issue expenses	配售及公開發售股份發行開支	(9,614,792)	—
Balance as at 30 June 2004	於2004年6月30日結餘	36,572,368	15,050,000

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Non-cash transactions

(i) Payments for licences and patents expenses

31. 綜合現金流量表附註(續)

(b) 非現金交易

(i) 支付許可及專利費用

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Additions in licences and patents	許可及專利增添	411,923	131,816
Add: Payables for additions of licences and patents at the beginning of the year/on acquisition of subsidiaries	加：年初／於收購附屬公司時許可及專利增添的應付款項	145,558	175,251
Less: Overprovision for payables for additions of licences and patents at the beginning of the year/on acquisition of subsidiaries	減：年初／於收購附屬公司時許可及專利增添的應付款項超額撥備	-	(44,553)
Less: Payables for additions of licences and patents at end of the year/period	減：年終／期終許可及專利增添的應付款項	(213,366)	(145,558)
Cash payments for licences and patents	許可及專利的現金付款	344,115	116,956

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Non-cash transactions (Continued)

(ii) Payments for development costs

31. 綜合現金流量表附註 (續)

(b) 非現金交易 (續)

(ii) 支付開發成本

		For the year ended 30 June 2004 截至2004年 6月30日 止年度 HK\$ 港元	For the period from 27 June 2002 (date of incorporation) to 30 June 2003 由2002年 6月27日(註冊 成立日期)至 2003年 6月30日 止期間 HK\$ 港元
Additions in development costs	開發成本增添	289,642	280,483
Add: Payables for additions of development costs at the beginning of the year/on acquisition of subsidiaries	加：年初／於收購附屬公司時開發成本增添的應付款項	625,000	1,000,000
Less: Payables for additions of development costs at end of the year/period	減：年終／期終開發成本增添的應付款項	-	(625,000)
Less: Amortisation of capitalised licences and patents to development costs	減：將已資本化的許可及專利攤銷至開發成本	(289,642)	(280,483)
Cash payments for development costs	開發成本的現金付款	625,000	375,000

32. STATEMENT OF OPERATIONS BY SEGMENTS

Segment information is provided as follows:

The Group

Business activities

Sales of diagnostic testing services

Research and development

Principal activities

The use of blood test in the diagnosis of cancerous diseases.

Research and development relating to diagnosis of cancer and foetal diseases and certain other illnesses.

32. 按分部陳述業務

分部資料如下：

本集團

業務活動

出售診斷測試服務

研究與開發

主要業務

使用驗血診斷癌症疾病。

有關診斷癌症、人胎疾病及若干其他疾病的研究與開發工作。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS (Continued)

(a) By business activities

Results for the year ended 30 June 2004

32. 按分部陳述業務 (續)

(a) 按業務活動分類

截至2004年6月30日止年度的業績

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
REVENUE	收入			
External sales	外部銷售	1,741,605	—	1,741,605
CONTRIBUTION TO LOSS FROM OPERATIONS	對經營虧損的貢獻	(2,650,757)	(1,638,513)	(4,289,270)
Interest income	利息收入			54,966
Taxation	稅項			—
LOSS ATTRIBUTABLE TO SHAREHOLDERS	股東應佔虧損			(4,234,304)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS (Continued)

(a) By business activities (Continued)

Assets and liabilities at 30 June 2004

32. 按分部陳述業務 (續)

(a) 按業務活動分類 (續)

於2004年6月30日的資產與負債

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
ASSETS	資產			
Segment assets	分部資產	24,151,303	20,821,978	44,973,281
Unallocated segment assets	未分配分部資產			—
				<u>44,973,281</u>
LIABILITIES	負債			
Segment liabilities	分部負債	8,431,332	7,844,536	16,275,868
Unallocated segment liabilities	未分配分部負債			—
				<u>16,275,868</u>

Other information for the year ended 30 June 2004

截至2004年6月30日止年度的其他資料

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
Capital expenditure	資本支出	166,216	326,147	492,363
Depreciation and amortisation	折舊及攤銷	887,505	—	887,505

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS (Continued)

(a) By business activities (Continued)

Results for the period from 27 June 2002 (date of incorporation) to 30 June 2003

32. 按分部陳述業務 (續)

(a) 按業務活動分類 (續)

由2002年6月27日(註冊成立日期)至2003年6月30日止期間的業績

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
REVENUE	收入			
External sales	外部銷售	1,087,670	—	1,087,670
CONTRIBUTION TO LOSS FROM OPERATIONS	對經營虧損的貢獻	(2,136,206)	(1,506,242)	(3,642,448)
Interest income	利息收入			1,797
Taxation	稅項			—
LOSS ATTRIBUTABLE TO SHAREHOLDERS	股東應佔虧損			(3,640,651)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS (Continued)

(a) By business activities (Continued)

Assets and liabilities at 30 June 2003

32. 按分部陳述業務 (續)

(a) 按業務活動分類 (續)

於2003年6月30日的資產與負債

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
ASSETS	資產			
Segment assets	分部資產	14,103,138	10,352,315	24,455,453
Unallocated segment assets	未分配分部資產			7,081,625
				<u>31,537,078</u>
LIABILITIES	負債			
Segment liabilities	分部負債	13,620,246	10,307,106	23,927,352
Unallocated segment liabilities	未分配分部負債			3,513,217
				<u>27,440,569</u>

Other information for the period from 27 June 2002 (date of incorporation) to 30 June 2003

由2002年6月27日(註冊成立日期)至2003年6月30日止期間的其他資料

		Sales of diagnosis testing services 出售診斷 測試服務 HK\$ 港元	Research and development 研究 與開發 HK\$ 港元	Total 合計 HK\$ 港元
Capital expenditure	資本支出	428,655	62,281	490,936
Depreciation and amortisation	折舊及攤銷	748,287	—	748,287
Write-off of intangible assets	撤銷無形資產	—	229,756	229,756

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 30 June 2004 截至2004年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS (Continued)

(b) By geographical location

The revenue and results, assets and liabilities of the Group for the period/year ended 30 June 2003 and 2004 are derived wholly from customers located in one geographical market, namely Hong Kong.

33. SUBSEQUENT EVENTS

Surplus cash of approximately HK\$7,846,000 was invested in five-year treasury notes of United States with interest rate of 4% per annum in July 2004.

Save as disclosed above, no material significant events took place subsequent to 30 June 2004.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 September 2004.

32. 按分部陳述業務 (續)

(b) 按地區分類

本集團於截至2003年6月30日及2004年6月30日止期間／年度的收入及業績、資產與負債全部均源自單一地區市場的客戶，即香港。

33. 結算日後事項

於2004年7月，現金盈餘約7,846,000港元已投資於年息率4厘的五年期美國國庫票據。

除上文所披露者外，於2004年6月30日後並無重大結算日後事項。

34. 核准財務報表

財務報表於2004年9月22日獲董事會核准及授權刊發。

FINANCIAL SUMMARY 財務概要

A summary of the results and of the assets and liabilities of the Group for the last three financial years is set out below:

本集團於過去三個財政年度的業績及資產與負債概要載列如下：

		Year ended 30 June 截至6月30日止年度		
		2004 2004年 HK\$ 港元	2003 2003年 HK\$ 港元	2002 2002年 HK\$ 港元
RESULTS	業績			
Turnover	營業額	1,741,605	1,339,250	525,545
Loss for the year	年度虧損	(4,234,304)	(4,721,473)	(3,065,794)
ASSETS AND LIABILITIES	資產與負債			
Total assets	總資產	44,973,281	31,537,078	7,904,547
Total liabilities	總負債	16,275,868	27,440,569	7,086,665
Shareholders' funds	股東資金	28,697,413	4,096,509	817,882

Notes:

- The results and assets and liabilities for the two years ended 30 June 2002 and 2003 presented above have been extracted from the Company's prospectus dated 8 June 2004 which were prepared on a combined basis as if the Group structure had been in existence throughout the years concerned to reflect the full year results and assets and liabilities of the Group for the two years prior to the Reorganisation of the Group on 20 September 2002.
- The results and assets and liabilities for the year ended 30 June 2004 presented above have been extracted from the consolidated income statement and balance sheet as set out in this annual report.

附註：

- 上文所呈列截至2002年及2003年6月30日止兩個年度的業績及資產與負債乃摘錄自日期為2004年6月8日的本公司招股章程，該等資料乃按合併基準編製，猶如本集團架構於各有關年度內一直存在，以反映本集團於2002年9月20日進行重組前的兩個年度的全年業績及資產與負債。
- 上文所呈列截至2004年6月30日止年度的業績及資產與負債乃摘錄自本年報所載的綜合收益表及資產負債表。



普施基因生物科技有限公司
PLASMAGENE BIOSCIENCES LIMITED

5th Floor, Club Lusitano, 16 Ice House Street, Central,
Hong Kong.

香港中環雪廠街十六號西洋會所大廈五樓