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

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock code 股份代號 : 8250

ANNUAL REPORT 2006 年報



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本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）的規定而提供有關普施基因生物科技有限公司（「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。

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CORPORATE INFORMATION

公司資料

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Mr. Wu Kai

NON-EXECUTIVE DIRECTOR

Mr. Lau Kam Shan

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Mr. Chan Po Kwong
Mr. Wong Kin Fung

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AUTHORISED REPRESENTATIVES

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Ms. Leung Kwan Yu

COMPLIANCE OFFICER

Mr. Lui Chi Wah, Johnny

AUDIT COMMITTEE MEMBERS

Mr. Kwok Shun Tim
(Chairman of Audit Committee)
Mr. Chan Po Kwong
Mr. Wong Kin Fung

REMUNERATION COMMITTEE

Mr. Lui Chi Wah, Johnny
Mr. Kwok Shun Tim
Mr. Chan Po Kong

AUDITORS

RSM Nelson Wheeler
Certified Public Accountants

PRINCIPAL BANKERS

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Dah Sing Bank Limited

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呂志華先生
吳楷先生

非執行董事

劉金山先生

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呂志華先生
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監察主任

呂志華先生

審核委員會成員

郭純恬先生
(審核委員會主席)
陳寶光先生
黃建豐先生

薪酬委員會

呂志華先生
郭純恬先生
陳寶光先生

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
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CORPORATE INFORMATION

公司資料

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CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors ("the Board") of the Company and its subsidiaries ("the Group"), I have pleasure to present the results of the Group for the year ended 30 June 2006 ("the Year").

Attributable to the revenues generated from the introduction of HBeasy and Fibroscan testing services, the Group has over the past one year seen a steady growth in its business – an annual growth rate of 20.7%. As the population who suffers from cancerous diseases is increasing, people in Hong Kong cares more and more about their health. However, patients who suffer from carcinoma of nasopharynx represents a comparatively small proportion of cancerous diseases in Hong Kong. Thus, apart from continuing to provide quality and accurate tests for carcinoma of nasopharynx, we will also provide a series of health screening services in order to solidify our operating revenues.

To enlarge the Group's profit base, we will in the new financial year extend our services to medicinal and healthcare related services, including medical and healthcare scheme management, Chinese medicinal diagnosing services, the distribution and retail of healthcare and medical products, etc. And these medical and healthcare related services will not only be developed in Hong Kong but also in the PRC.

Like other countries in the world, the tremendously large population in the PRC is facing aging problems. And the aging population thus drives an incessant increase in the demand for medical services and medical products. On the other hand, the continual rise in the PRC's GDP further fuels the demand for medical and medicinal quality. According to a survey report prepared by an international authority, the world's non-prescribed drug market has reached US\$63 billion with the PRC representing a mere proportion of not more than 6%. However, it has been growing an impressive annual rate of 11% – the fastest growing country for non-prescribed drugs and it ranks the 4th in terms of market size. In view of this, the Group will actively develop this emerging growth market. The newly appointed directors of the Group are seasoned in operating and distributing medical products in the nation and also harness an extensive human network and rapport. It is therefore anticipated that they will contribute to developing this new business for the Group.

本人謹代表本公司董事會（「董事會」）提呈本公司及其附屬公司（「本集團」）截至二零零六年六月三十日止十二個月（「期間」）之全年業績報告。

過去一年，本集團業務平穩增長，增幅約20.7%，主要因為HBeasy以及肝纖維化掃描器測試投入服務之後，令集團整體營業額上升。雖然本港市民愈來愈注重身體健康，而且癌病患者亦有逐年上升的趨勢，但鼻咽癌患者佔癌病比例不大，故此，本集團除了繼續提供優質準確的鼻咽癌測試服務之外，更會提供其他一系列的健康測試服務，以鞏固營業收益。

為擴闊本集團之盈利基礎，新年度內集團擬把經營範圍擴闊至醫藥保健相關之業務方面，包括醫療保健計劃管理、中醫藥診斷服務、保健及醫藥產品之批發零售等等。本集團之醫藥保健相關業務不獨在香港地區開拓，亦會積極發展國內之市場。

中國人口繁衍，而且和全球其他國家一樣，正面對人口老化問題。人口老化對醫療服務及醫藥產品需求亦隨之而增加。此外，中國國民平均收入持續上升，亦會提升對醫療及醫藥素質之需求。根據國際權威調查報告顯示，世界非處方藥市場已達到630億美元，中國佔全球市場份額不足6%，目前正以11%的年增長率成為全球非處方藥市場中增長最快之國家，也是全球第四大市場，因此本集團將積極開拓此發展潛力龐大之市場。集團新加入之董事於國內醫藥產品營銷具有豐富之專業經驗，亦擁有廣泛的人際網絡關係，肯定有助於集團發展此一新業務。

CHAIRMAN'S STATEMENT**主席報告**

Hong Kong has always been a competitive market for healthcare product retailers. Nevertheless, the market has demonstrated a stable demand: its population is in general health conscious and thus results in an increasing demand for health supplements. To this end, the Group envisages itself to be developing a health food retailing network in Hong Kong.

The investment market in Hong Kong has been burgeoning with a sustaining growth in its equity market. The Group's cash in hand is relatively abundant. In order to optimise the Group's return on investment the Directors have decided to set aside a portion of its cash for investing in listed and unlisted securities, including healthcare related securities that demonstrate a good potential for future growth, so as to enhance the Group's profitability.

The Board is confident about the Group's business for the new financial year as a result of the outlook I have reportedly sketched. I heartedly hope that the Group will perform a good business results for our shareholders in the year to come. In conclusion, I would like to extend my appreciation to our staff's strenuous work in the past year and the relentless support of our shareholders.

Lui Chi Wah, Johnny

Chairman

Hong Kong, 21 September 2006

本港保健產品零售市場雖然競爭激烈，但市場需求穩定，而且市民關注身體健康，對健康補充產品需求殷切，故此本集團亦擬在本港建立保健產品零售網絡。

本港投資市場欣欣向榮，香港股市持續上升，本集團手頭現金充裕，為爭取更佳之回報，董事局決定把部份資金投資在上市及非上市證券，包括一些具發展前景之醫療相關股票，冀能進一步擴大集團之盈利基礎。

本集團董事局對未來新財政年度之業務發展深具信心，本人亦衷心希望能為全體股東爭取最佳業績表現。最後，本人謹藉此機會感謝各員工過去一年來的努力工作，以及各股東的鼎力支持。

主席

呂志華

香港，2006年9月21日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESULTS AND DIVIDEND

For the year ended 30 June 2006, the Group recorded a turnover of approximately HK\$1,368,000 (2005: approximately HK\$1,133,000) and a net loss attributable to shareholders of approximately HK\$9,570,000 (2005: approximately HK\$5,591,000). The basic loss per share was approximately 2.55 HK cents (2005: approximately 1.62 HK cents).

The Board does not recommend the payment of a dividend for the year ended 30 June 2006.

FINANCIAL REVIEW

Turnover of the Group are mainly derived from the cancer diagnostic testing services of *EBgene*, *EBeasy* and *EBcombo*. The Group's new hepatitis B DNA test, *HBeasy*, was launched to the market in May 2005. In addition, the Hong Kong Hepatitis Diagnostic Centre was established in late December 2005 with the purchase of a machine named Fibroscan (a state of art machine which can measure the amount of liver fibrosis in chronic hepatitis B patients) for early diagnosis of certain liver diseases. Both *HBeasy* and Fibroscan test generated steady revenue and contributed to the increase in the gross revenue of the Group for the year.

The Group's sales less cost of sales represented approximately 4.4% of turnover for the year ended 30 June 2006 which was dropped when compared with that of year ended 30 June 2005, which was approximately 7.5% of turnover. This is mainly due to the fair value of share options granted to laboratory staff of a subsidiary amounted to approximately HK\$115,000 (representing 8.4% of turnover) and charged as direct salaries within cost of sales for the year. There were no such expenses for the previous year. However, the effect was lessened by (i) no royalties are payable since 28 March 2006 because of expiry of the patent relating to gene amplification process known as polymerase chain reaction ("PCR") technology in Hong Kong; and (ii) free tests offered to the general public through seminars were decreased during the year.

Net loss of the Group amounted to approximately HK\$9,570,000 for the year ended 30 June 2006, representing an increase of approximately 71% as compared to that of approximately HK\$5,591,000 for the year ended 30 June 2005. The increase in net loss is mainly due to (i) impairment losses of intangible assets amounted to approximately HK\$3,158,000 relating to both diagnostic tests and services and research and development of foetal maternal tests as discussed under the paragraph headed "Business development" in this section; (ii) increase in product certification and registration expenses; and (iii) fair value of share options granted for the year ended 30 June 2006 totalling amounted to approximately HK\$1,919,000 and recognised in the consolidation income statement.

業績及股息

截至2006年6月30日止年度，本集團的營業額約為1,368,000港元（2005年：約1,133,000港元），股東應佔淨虧損則約為9,570,000港元（2005年：約5,591,000港元）。每股基本虧損約為2.55港仙（2005年：約1.62港仙）。

董事會建議不派發截至2006年6月30日止年度的股息。

財務回顧

本集團的營業額主要來自*EB*準、*EB*易及普施組合等癌病診斷測試服務。*HBeasy*為新乙型肝炎脫氧核糖核酸測試並於2005年5月推出市面。此外，亦於2005年12月設立香港肝炎診斷中心，並購得一台肝纖維化掃描機（一種能夠測量慢性乙型肝炎病人肝纖維含量的尖端科技儀器）以供若干肝臟疾病的早期診斷。*HBeasy*及肝纖維化掃描測試均為本集團帶來穩定的收入，為本集團於年度內總收入的增長作出貢獻。

截至2006年6月30日止年度內，本集團的銷售額減去銷售成本，約佔銷售額的4.4%，比對截至2005年6月30日止年度內的7.5%有所減少。這主要是由於授出公平值約115,000港元的購股權予附屬公司之實驗室員工（該購股權的公平值約為銷售額的8.4%），並於本年度的銷售成本中以直接薪金入賬，而在前年度本集團並無該項支出。然而其影響已減少，由於(i)一項基因擴增步驟名為聚合酶連鎖反應（「PCR」）的香港專利權已屆滿，因此於2006年3月28日起無須支付專利費；及(ii)於研討會中向公眾提供的免費測試於年內已有減少。

截至2006年6月30日止年度內本集團的淨虧損為9,570,000港元，比對截至2005年6月30日止年度內的5,591,000港元增加約71%。淨虧損增加主要是由於(i)正如於本節中題為「業務發展」一段所述，關於母體胎兒診斷測試及服務以及研究發展的無形資產減值損失約為3,158,000港元；(ii)生產證書及登記註冊費用的增加；及(iii)於截至2006年6月30日止年度所授出總公平值約1,919,000港元並在綜合收益表中確認的購股權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The unrealised holding loss of the investment in five-year treasury notes of the United States (the "US Treasury Notes") with interest rate of 4% per annum (included under "Other operating expenses" in the consolidated income statement) was amounted to approximately HK\$332,000 for the year ended 30 June 2006. Such unrealised loss of HK\$332,000 was largely compensated by the attributable interest income of approximately HK\$307,000. This investment is classified as "Financial assets at fair value through profit or loss".

BUSINESS DEVELOPMENT

Marketing efforts have been made for the research test kits for foetal maternal diseases during year ended 30 June 2005 and 2006. However, the Group has not made any sales of these research test kits up to date. According to the latest clinical update, the older and more traditional standard non-invasive method, if used with the right timing and combination, can achieve a higher than 90% sensitivity for the detection of Down's syndrome. This dampened completely the demand for any new kits in the research stage. The Group continued to try to seek further research into other methodologies or other business opportunities in the foetal maternal field using the same basic scientific platform. However, no satisfactory results can be obtained in the past year. Moreover, the Group's diagnostic tests (including *EBgene*, *EBeasy*, *EBcombo*, new tests of *HBeasy* and Fibroscan test) incurred losses for the past years. In view of the poor sales and research and development results, the management made its decision to make an impairment loss for the full carrying value of the intangible assets.

Despite the setbacks in the foetal maternal field, Plasmagene Limited, a wholly owned subsidiary of the Company, has obtained its BS EN ISO 9001: 2000 (certificate no. FS 99559) on 24 February 2006 and BS EN ISO 13485: 2003 (certificate no. MB 98634) on 13 April 2006 for the scope of "The design, development and production of in vitro diagnostic devices for the clinical use and services laboratory to detect Epstein-Barr virus (EBV), Hepatitis B virus (HBV) and associated cancers".

截至2006年6月30日止年度，年利率4%的五年期美國政府票據（「美國國庫票據」）其未實現投資持有損失（包括在綜合收益表中的「其他營業費用」）約為332,000港元，此未實現損失大部份已被約307,000港元的應佔利息收入所抵銷，此項投資歸類為「經損益賬按公平值入賬之金融資產」。

業務發展

於2005年及2006年6月30日止之各年度內，已對母體胎兒疾病研究測試盒實行市場推廣，但到現時止，本集團仍未出售這些研究測試盒。根據最近的臨床測試，較舊和較傳統的標準非為創傷性方法，如果在適當時間及組合下，可以達至高於90%的敏感度以探測唐氏綜合症。這完全打擊還在研究階段的新測試盒的需求。本集團繼續嘗試尋求進一步研究其他方法，或找尋其他商機，及應用同一基本科學平台於母體胎兒範圍中，但是在過去一年還未有滿意的結果。再者本集團的診症測試（包括*EB準*、*EB易*、*普施組合*、*HBeasy*及肝纖維化掃描的測試）過去多年均呈虧損。鑑於過往令人失望的銷售、研究與發展結果，管理層決定將此無形資產的賬面值全數作減值損失處理。

雖然在母體胎兒測試領域中遭到挫折，本公司的全資附屬公司，普施基因有限公司，於2006年2月24日，取得BS EN ISO 9001: 2000（證明文件號碼FS 99559）的認證。再於2006年4月13日，取得BS EN ISO 13485: 2003（證明文件號碼MB 98634）的認證，所涉及範圍包括「設計、發展及生產體外診斷器材作為臨床測試及提供服務予實驗室以探測EB病毒、乙型肝炎及其伴生癌症」。

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The registration of test kit of *EBgene* in the Food and Drug Administration (the "FDA") of the United States and the State of Food and Drug Administration (the "SFDA") of the People's Republic of China (the "PRC") is under way and in good process. The Group has submitted preliminary clinical study results to FDA. Further data may be required to complete the FDA application. In June 2006, the Group has fulfilled the essential requirements of the relevant European health, safety and environmental protection legislation of CE Marking. The certification of ISO and CE Marking should pave the way for the successful registration of the *EBgene* in FDA and SFDA, and also the marketing of the Group's tests and products to the PRC, Japan and Australia.

Diagnostic screening plans have been established in January 2005 for both normal individuals and/or cancer patients in Hong Kong. These plans are offered with co-marketing efforts with other well-known diagnostic and life sciences companies. Currently, there are over 600 enrolled members, and the numbers are increasing every month through these joint marketing efforts. Work has also been done to include inflammatory markers to predict early cancer detection. This methodology, however, is still in the development and research stage.

The molecular testing laboratory workshop (the "Diagnostic Workshop") in a body-check centre is scheduled to be open in early 2007. It is expected that the Diagnostic Workshop will provide a wide range of laboratory tests to doctors, clinics, hospitals, and general public. The Directors believe that it will broaden the revenue of the Group.

PRODUCT LAUNCH

The Group launched the hepatitis B DNA test, namely *HBeasy* in May 2005 and Fibroscan test in January 2006. Both tests started earning revenue at a steady pace.

RESEARCH AND DEVELOPMENT

The Group continued its research and development in the general cancer test which aims to detect cancer through the analysis of the presence of certain proteins, DNA and RNA in blood plasma or serum which is linked to cancerous diseases. Recently the inflammatory markers were also tested to see if they can be used as early cancer markers since inflammation is now known to be one of the important elements for cancer development. This is intended to be used as a general screening test for cancers.

*EB*準在美國食品藥物管理局及中國國家食品及藥物管理局的註冊申請正在進行中，而且進展理想。本集團已向美國食品藥物管理局提供初步臨床研究結果，並可能需要進一步提供資料以完成該項申請。於2006年6月本集團已完成歐洲健康、安全及環保法例相關的CE認證基本要求。取得ISO及CE認證應為*EB*準在美國食品藥物管理局及中國國家食品及藥物管理局順利取得成功註冊申請而鋪路，以及可繼續把本集團之測試服務及產品推廣至中國、日本及澳洲等國家。

診斷檢驗計劃已於2005年1月為香港的一般人士及／或癌症病人設立。此等計劃與其他著名診斷及生命科學公司共同推廣。透過聯合市場推廣，初步取得成功，現時有超過六百名會員報名參加，而且每月的數目正在增加中，同時亦已嘗試把炎症指標包括在內以預早探測早期癌症。然而，這方法只處於發展及研究階段。

設立於一體檢中心內的分子化學測試工作室（「診斷工作室」）將於2007年初啟業，預期診斷工作室將向醫生、診所、醫院及公眾人士提供廣泛的實驗室測試服務。董事認為本集團的收入將會因此而擴闊。

產品推出

本集團於2005年5月推出其乙型肝炎脫氧核糖核酸測試，名為*HBeasy*，以及於2006年1月推出肝纖維化掃描測試。兩項測試已開始取得穩定收入。

研究及開發

本集團繼續進行一般癌症測試的研發工作，藉以透過在與癌症疾病有關連的血漿或血清中，分析相應存在的若干蛋白質、脫氧核糖核酸及核糖核酸以偵測癌症。由於炎症已公認為一項癌症發展的重要因素，最近亦嘗試使用炎症指標來測試是否可用作早期癌症的指標，擬把它用作癌症的普查測試。

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HPV test for cervical cancer is a urine test that can be used as a supplement to pelvic examination. A community test was done in April 2005 and about 50 participants were involved in the trial test. The test has not demonstrated to be commercially viable at this stage.

A preliminary evaluation of the anti-ageing diagnosis panel for those individuals that are aged over 45 was completed in April 2006. The results showed that the demand of the anti-ageing treatments and testing may not be as strong as expected. The test has not demonstrated to be commercially viable at this stage.

In the latter part of December 2005, the Group has completed the initial evaluation of the use of other new markers for general cancer screening such as leptin, osteopontin, prolactin, insulin like growth factors, pepsinogen I and gastrin 17. The results so far are not ready for a commercial launch.

SALES AND MARKETING

As explained in the paragraph headed "Business development" in this section, sales and marketing efforts have been directed towards the development of non-invasive foetal maternal tests. However, no sales are recorded.

The Group will continue its sales and marketing on its existing and newly established diagnostic tests through public seminars and co-operations with other diagnostic and biotechnology companies. Some of them have shown promise and have contributed to an increase of gross revenue.

FUTURE PLANS AND PROSPECTS

In addition to the existing diagnostic testing services and products, the Group plans to diversify its business in the near future. The new management of the Group is more keen on developing new business including selling of medical and healthcare products and investment activities.

為子宮頸癌進行的HPV測試是一種尿液測試，亦為補充盆骨檢查的一種方法。於2005年4月進行社區測試，約有50人參加首次測試。現時估計此項測試還未可帶來商業效益。

一項為年齡在45歲以上人士而設計的抗衰老診斷儀表所進行的初步評估，已在2006年4月完成，結果顯示，對抗衰老治療及測試的需求並未如原先估計那麼大。現時估計此項產品還未可帶來商業效益。

在2005年12月的較後時間，本集團已完成使用其他指標作為一般癌病普查，如瘦體素、造骨蛋白、催乳素、類胰島素成長因子、抗胃蛋白酶原I及胃激素17等的初步評估。結果仍未可推出作商業應用。

銷售及市場推廣

正如本節中題為「業務發展」的一段所述，本集團已努力為非創傷性母體胎兒測試的發展進行直接銷售及市場推廣。然而，迄今並未錄得銷售。

本集團會繼續透過公開講座，並與其他診斷及生物科技公司攜手合作，部份成績令人鼓舞並已對收入的增加作出貢獻。

未來計劃及展望

除現有的診斷測試服務及產品外，本集團將計劃擴展業務。本集團的新管理層將致力開拓新業務，其中包括醫療及保健產品的銷售與及投資業務。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2006, the Group held cash and bank balances of approximately HK\$18,039,000 (2005: approximately HK\$24,863,000). In July 2004, the Group had invested in US Treasury Notes with market value as at 30 June 2006 amounted to approximately HK\$7,399,000. Net current assets amounted to approximately HK\$25,442,000 (2005: approximately HK\$32,883,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 40.0 times (2005: approximately 61.2 times).

The Group had no bank borrowing as at 30 June 2006 (2005: Nil).

CAPITAL STRUCTURE

The shares of the Company were listed on GEM 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 2006, the Group's net assets were financed by share capital and reserves. Total equity attributable to shareholders as at 30 June 2006 was approximately HK\$27,864,000 (2005: approximately HK\$36,993,000).

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 2006, the Group had no significant exposure to foreign exchange and interest rate risks.

CAPITAL COMMITMENT

As at 30 June 2006, the Group and the Company had no significant capital commitment.

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.

流動資金及財務資源

於2006年6月30日，本集團的現金及銀行結餘約為18,039,000港元（2005年：約24,863,000港元）。於2004年7月，本集團投資於美國國庫票據，於2006年6月30日的市值約為7,399,000港元。流動資產淨值約為25,442,000港元（2005年：約32,883,000港元）。流動比率（界定為總流動資產除以總流動負債）約為40.0倍（2005年：約61.2倍）。

於2006年6月30日，本集團並無銀行借款（2005年：無）。

資本結構

本公司股份於2004年6月18日（「上市日期」）在創業板上市。本公司的資本結構自本公司上市之日期起並無變動。截至2006年6月30日止年度，本集團的資產淨值乃以股本及儲備支付。於2006年6月30日，股東應佔股本總額約為27,864,000港元（2005年：約36,993,000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2006年6月30日，本集團並無重大外匯及利率風險。

資本承擔

於2006年6月30日，本集團及本公司概無重大資本承擔。

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。

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EMPLOYEE INFORMATION

A breakdown of the number of staff of the Group by responsibilities as at 30 June 2006 and 2005 is set out below:

僱員資料

於2006年及2005年6月30日，以職務劃分的本集團員工數目如下：

		2006 2006年	2005 2005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 的測試服務而設的實驗室)	3	3
Administration and finance	行政及財務	3	3
		11	11

All the employees are stationed in Hong Kong.

所有僱員均長駐香港。

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.

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。

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.

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。

The total staff costs, including Directors' emoluments, amounted to approximately HK\$3,812,000 for the year ended 30 June 2006 (2005: approximately HK\$2,983,000).

截至2006年6月30日止年度的總員工成本(包括董事酬金)約為3,812,000港元(2005年：約2,983,000港元)。

CONTINGENT LIABILITIES

As at 30 June 2006, the Group had no significant contingent liabilities.

或然負債

於2006年6月30日，本集團並無重大或然負債。

CHANGE IN AUDITORS OF THE GROUP IN THE PRECEDING THREE YEARS

Messrs. RSM Nelson Wheeler were first appointed as reporting accountants and auditors of the Company and its subsidiaries on 5 August 2003. Messrs. RSM Nelson Wheeler, who has been acting as auditors of the Group since then, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

本集團在過去三年間之核數師變動情況

於2003年8月5日羅申美會計師行首先獲本公司及其附屬公司聘用為報告會計師及核數師。自此以後羅申美會計師行繼續擔任本集團之核數師，並於本公司即將舉行的股東週年大會上自動提出以重新獲取聘用。

MANAGEMENT DISCUSSION AND ANALYSIS

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USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares from its listing on GEM was HK\$32 million. The listing expenses were increased from HK\$8 million as stated in the prospectus of the Company dated 8 June 2004 to approximately HK\$9.6 million. The net proceeds from the listing is approximately HK\$22.4 million. It was mainly due to increase in professional fees and printing costs. The use of net proceeds for the period from 3 June 2004 (being the latest practicable date prior to the printing of the prospectus of the Company) to 30 June 2006 are as follows:

本公司首次公開發售股份的所得款項用途

本公司於創業板上市時發行新股份所得的款項為32,000,000港元。上市費用由本公司於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)起至2006年6月30日止期間，所得款項已撥作以下用途：

			Planned 擬定 HK\$ 港元	Actual (Approximately) 實際 (約數) HK\$ 港元
	Notes 附註			
Patent expenditures		a	3,890,000	840,000
Product marketing		b	9,310,000	1,115,000
Compliance requirements		c	2,600,000	616,000
Research and development (including salaries and material costs)		d	2,240,000	1,616,000
			18,040,000	4,187,000

Notes:

- Decrease in patent expenditures was mainly due to (i) termination of four licence agreements in January 2005 and (ii) the territories of two worldwide exclusive licence agreements have been restricted to Japan, Australia, the PRC and Hong Kong only in February 2005. These significantly reduce the legal costs that would be incurred during pursuance of worldwide patent applications.
- Similar to patent expenses, decrease in product marketing and research and development expenses was mainly due to termination of four licence agreements in January 2005. The planned budget will be used in other commercially viable testing services/products.
- Plasmagene Limited, a wholly owned subsidiary of the Company, has obtained its BS EN ISO 9001: 2000 (certificate no. FS 99559) on 24 February 2006 and BS EN ISO 13485: 2003 (certificate no. MB 98634) on 13 April 2006 for the scope of "The design, development and production of in vitro diagnostic devices for the clinical use and services laboratory to detect Epstein-Barr virus (EBV), Hepatitis B virus (HBV) and associated cancers". Registrations of the Group's EBgene in the FDA and the SFDA are under way. Currently, the Group focused on the registration of EBgene first in the United States and the PRC so that planned budget for Japan and Australia will be delayed.
- Similar to patent expenses, decrease in research and development expenses was mainly due to termination of four licence agreements in January 2005. The planned budget will be used in other commercially viable testing services/products.

附註：

- 專利開支減少主要是由於(i) 2005年1月終止4項特許權協議及(ii)自2005年2月起2項全球獨家特許權協議的地區，已只限於日本、澳洲、中國及香港。此舉大幅減少在尋求全球專利申請時所產生的法律費用。
- 與專利費用的情況相若，市場推廣及研究與開發費用減少主要是由於在2005年1月終止4項特許權協議，擬定的預算金額將應用於可作更多商業用途的測試服務／產品方面。
- 於2006年2月24日，本公司的全資附屬公司普施基因有限公司取得BS EN ISO 9001: 2000(證明文件號碼FS 99559)驗證。再於2006年4月13日，取得BS EN ISO 13485: 2003(證明文件號碼MB98634)驗證。所涉及範圍包括「設計、發展及生產體外診斷器材作為臨床測試及提供服務予實驗室來探測EB病毒、乙型肝炎及其伴生癌症」。本集團的EB準於美國食品藥物管理局及中國國家食品及藥物管理局的註冊登記正在進行中。在現階段本集團專注於先把EB準在美國登記然後再在中國登記，因此原來推到日本及澳洲的計劃預算會暫緩。
- 與專利費用的情況相若，市場推廣及研究與開發費用減少主要是由於在2005年1月終止4項特許權協議。擬定預算金額將應用於可作更多商業用途的測試服務／產品方面。

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 to the business objectives as set out in the prospectus of the Company dated 8 June 2004 (the "Prospectus").

Business objectives up to 30 June 2006 as set out in the Prospectus:

招股章程所載直至2006年6月30日的業務目標：

Strategic development

策略發展

Seeking opportunities from SARS test
從非典型肺炎測試尋求商機

Planning and launching of worldwide campaign of test for Down's syndrome

計劃在全球展開唐氏綜合症測試的推廣活動

Seeking opportunities to acquire third party diagnostic technologies to complement the Group's research capabilities

為配合本集團的研究能力，尋求商機藉以向第三方購買診斷技術

Forming strategic alliances with biotechnology companies to carry out research into new testing methodologies for detection of critical illnesses. Companies in Hong Kong and the PRC will be the primary target for such an alliance because exchange of information and technologies would be easier

與生物科技公司組成策略聯盟，就偵測嚴重疾病的新測試方法展開研究。香港及中國兩地的公司將為組成聯盟的主要目標公司，是由於此舉有助兩地公司在交換資料及技術時更為方便

下表為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」）所載的目標的比較。

Actual business progress up to 30 June 2006:

直至2006年6月30日的實際業務進展：

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

Due to the success of the old traditional standard non-invasive method, the Group has commenced to seek newer methodology research in this test since the last half of 2005 while continue to see whether the older licences can still be refined enough to yield a perfect test. Talks have now begun to use a new third party technology to develop this test

由於傳統標準非創傷性方法取得成功，本集團將於2005年下半年開始尋求此測試的更新的研究方法，並正研究舊有的特許權能否再作改良以達致更理想的測試效果

The process is ongoing, with no definite target is found up to now

正持續進行，惟迄今並未鎖定確實目標

On 1 June 2005, the signing of an agreement with a diagnostic pharmaceutical company for an alliance in the diagnosis of cancer and heart disease in Hong Kong and Macau. A rapid test using this technology may be useful as a general cancer or inflammation screen

於2005年6月1日，與一間診斷製藥公司簽訂協議，就於香港及澳門診斷癌症及心臟病組成聯盟。一種利用此技術的快速測試對一般癌病及炎症的普查可能會發揮作用

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Leasing laboratory facilities in Australia and Japan for offering the Group's testing services. Technicians at these laboratories will collect and deliver blood samples to the Group's laboratory in Hong Kong for further handling. Testing results will subsequently be delivered to the overseas customers

於澳洲及日本租賃實驗室設施，以提供本集團的測試服務。此等實驗室的技術人員會收集血液樣本，並傳送至香港的實驗室作進一步處理。測試結果將於其後傳送給海外顧客

Launching a worldwide campaign with a view to forming close associations with other laboratories, health institutions and government agencies for joint launches of the Group's testing services

舉辦世界性活動，目的是和其他實驗室、醫療機構及政府機構共同推廣本集團的測試服務

To seek opportunities to acquire new diagnostic technology that would complement the Group's testing services

尋求收購新診斷科技的機會以補足本集團的測試服務

Research and product development

研究及產品開發

EBcombo test

普施組合測試

- To continue the field testing and community research
繼續實地測試及社區研究

Preliminary marketing efforts show that it is impractical to lease laboratory facilities until we have the FDA registration

初步的市場推廣工作顯示，在本集團取得美國食品藥物管理局的申請註冊前，租賃實驗室設施並不可行

Associations with a major pharmaceutical company and a local biotech company in the launching of hepatitis B testing were done in the last half of 2005. Further efforts will be made with the newly acquired Fibroskan test

在2005年下半年，和一主要的藥物公司及一本地生命科技公司結聯推廣乙型肝炎測試。本公司將會增加力度推廣新購買的肝纖維化掃描器所提供的測試服務

No good opportunity was found so far
至現時仍未找到良好的契機

Test for liver cancer

肝癌測試

- To complete the field testing and community research
完成實地測試及社區研究

Field testing has been completed and evaluation of this test is being done at this moment. Further long term follow up is necessary

已完成實地測試，而現時正就是項測試進行評估

The original liver cancer test done by methylation specific polymerase chain reaction ("PCR"), a difficult and expensive test, is now replaced by the HBV DNA test, HBeasy, which launched in May 2005 in Hong Kong. The HBV DNA test have received ISO certification

原本以甲基化特異性聚合酶連鎖反應（「PCR」）所作的肝癌測試遇到困難而且成本昂貴，故是項測試現已由於2005年5月份推出的乙型肝炎病毒基因測試HBeasy所取代

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Test for prostate cancer

前列腺癌測試

- To complete the laboratory and clinical testing, the field testing and community research
完成化學及臨床試驗

Laboratory testing shows it is difficult and expensive to carry out the methylation specific PCR test, which takes over 1 day to complete. This test now is being replaced by simpler tests under research such as prolactin and insulin like growth factors and under laboratory and clinical research. No positive result can be found as of this time

化學試驗顯示，甲基化特異性聚合酶連鎖式反應測試較難進行，而且成本高昂，測試需時一天以上。此測試現正由較簡單，並正在進行研究的多個測試所取代，例如催乳激素及類胰島素生長因子。新測試方法現正進行化學試驗及臨床研究。至現時止仍未有明確的成績

EBonco test

EBonco測試

- To complete the laboratory and clinical testing, and the field testing and community research
完成化學及臨床試驗及完成實地測試及社區研究

The test has completed the laboratory part of the research. Field testing was delayed due to difficulty of finding the right clinical partner

有關測試已完成研究的化學試驗部份，由於很難找到合適的診所夥伴實地測試已經暫緩

Screening test for cancer

癌症檢驗測試

- To complete the field testing and community research
完成實地測試及社區研究

The laboratory and clinical test is completed. The field testing of a panel of general screening tests for cancer has begun, a version of the test in the research format will be available to the public in the latter part of 2006

化學及臨床試驗經已完成，已開始多項一般癌症普查測試的實地測試，並可於2006年較後部份向公眾提供以研究方式進行的測試方法

EBsens test

EBsens測試

- To complete the laboratory and clinical testing, field testing and community research
完成化學及臨床試驗、實地測試及社區研究

Laboratory and clinical testing is near its completion and the test should be available in the first half of 2006. This test is ready for marketing to those patients that need high sensitivity of EBV testing

化學及臨床試驗接近完成，可於2006年上半年提供是項測試。本測試已準備就緒可進行向一些需要敏感度高的EB病毒測試的病人推廣

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Test for Down's syndrome

唐氏綜合症測試

- To complete the refinement of the test
完成改善唐氏綜合症測試

To start laboratory and clinical testing of stem cell technology for treating cancer patients and replacing damaged organs and tissues

開始為治療癌症病人及代替已損毀器官及組織的幹細胞科技進行化學及臨床測試

To start laboratory and clinical testing of the study of the forms and nature of protein for the diagnosis of diseases

開始為研究作為診斷疾病的蛋白質形狀及性質進行化學及臨床測試

Sales and marketing

銷售及市場推廣

By first establishing and set product standards in its laboratory for the following tests and then market the tests to the appropriate end users, such as doctors in the specialised field, the Group will launch the testing services as follows:-

透過為下列測試而首次在本集團實驗室設立及釐定產品標準，並向合適的最終使用者(例如專科醫生)推銷此等測試，而本集團將會推出測試服務，詳情如下：

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 the success of the old traditional standard non-invasive method, the Group has commenced to seek newer methodology research in this test since the last half of 2005 while continue to see whether the older licences can still be refined enough to yield a perfect test. Talks have now begun to use a new third party technology to develop this test

由於舊傳統標準非創傷性式方法取得成功。本集團已於2005年下半年開始尋求此測試的更新研究方法，而現正研究舊有的特許權能否再作改良以達致更理想的測試效果。現正在討論使用新的第三方技術來發展此測試

No immediate plan for research as of this moment
迄今並未有立即進行研究的計劃

No immediate plan for research as of this moment
迄今並未有立即進行研究的計劃

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

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Launch of *EBgene* test

推出*EB*準測試

- in PRC
於中國

Marketing efforts will be delayed until the SFDA registration has been completed

市場推廣工作將會延遲，直至向中國國家食品及藥品監督管理局提交的註冊申請完成為止

- in Japan
於日本

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

- in Australia
於澳洲

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

Launch of *EBeasy* test

推出*EB*易測試

- in PRC
於中國

Marketing efforts will be delayed until the SFDA registration has been completed

市場推廣工作將會延遲，直至向中國國家食品及藥品監督管理局提交的註冊申請完成為止

- in Japan
於日本

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

- in Australia
於澳洲

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

Launch of *EBcombo* test

推出普施組合測試

- in PRC
於中國

Marketing efforts will be delayed until the SFDA registration has been completed

市場推廣工作將會延遲，直至向中國國家食品及藥品監督管理局提交的註冊申請完成為止

- in Japan
於日本

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

- in Australia
於澳洲

Launch of liver cancer
推出肝癌測試

- in Hong Kong
於香港

Marketing efforts will be delayed until the FDA registration has been completed

市場推廣工作將會延遲，直至向美國食品藥物管理局提交的註冊申請完成為止

The original liver cancer test done by methylation specific PCR, a difficult and expensive test, will now be replaced by the HBV DNA test, HBeasy, for monitoring of hepatitis B patients prone to the development of liver cancer. HBeasy was launched in May 2005 and earned a steady revenue

原先以甲基化特異性聚合酶鏈式反應(為一項較難進行且成本高昂的測試)進行的肝癌測試，現時將會由乙型肝炎病毒基因測試HBeasy所取代，藉以為乙型肝炎病人偵測可能引發的肝癌。HBeasy已於2005年5月推出市場，收入穩定

- in PRC
於中國

Marketing efforts will be delayed until the SFDA registration has been completed for the HBeasy

市場推廣工作將會延遲，直至就HBeasy向中國國家食品及藥品監督管理局提交的註冊申請完成為止

- in Japan
於日本

Since October/November 2004, marketing efforts have been made in Japan with end users. However, no sales was recorded up to now

自2004年10/11月開始，已於日本向最終使用者進行市場推廣工作。然而，迄今並未錄得銷售

- in Australia
於澳洲

Marketing efforts will be delayed until the FDA registration has been completed for the HBeasy

市場推廣工作將會延遲，直至HBeasy向美國國家食品及藥品監督管理局提交的註冊完成為止

Launch of test for prostate cancer
推出前列腺癌測試

- in Hong Kong
於香港

As explained in Research and Development in this section before, this test is still in development stage and no immediate plan for launching as of this moment

正如在本節前述「研究與發展」，此測試仍在發展階段，且迄今並未有立即推出的計劃

Launch of *EBonco* test
推出*EBonco*測試

- in Hong Kong
於香港

The test will undergo further community research and not ready to be launched as of this moment

是項測試正進一步進行社區研究而且迄今未可推出市場

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

- | | |
|--|---|
| <ul style="list-style-type: none"> - in PRC
於中國 | <p>The launch of EBonco will be delayed until we have success in the Hong Kong market
將會延遲推出EBonco，直至香港的市場取得成功為止</p> |
| <ul style="list-style-type: none"> - in Australia
於澳洲 | <p>The launch of EBonco will be delayed until we have success in the Hong Kong market
將會延遲推出EBonco，直至香港的市場取得成功為止</p> |
| <ul style="list-style-type: none"> - in Japan
於日本 | <p>The launch of EBonco will be delayed until we have success in the Hong Kong market
將會延遲推出EBonco，直至香港的市場取得成功為止</p> |
| <p>Launch of <i>EBsens</i> test
推出<i>EBsens</i>測試</p> | |
| <ul style="list-style-type: none"> - in Hong Kong
於香港 | <p>Marketing will begin latter part of 2006
於2006年末將會為是項測試進行市場推廣</p> |
| <ul style="list-style-type: none"> - in PRC
於中國 | <p>Marketing efforts will be delayed until the SFDA registration for EBGene has been completed to pave the way for this new but similar test
市場推廣工作將會延遲，直至就EB準向中國國家食品及藥品監督管理局提交的註冊申請完成為止，藉以為是項新增但相類似的測試作準備</p> |
| <ul style="list-style-type: none"> - in Australia
於澳洲 | <p>Marketing efforts will be delayed until the FDA registration for EBGene has been completed to pave the way for this new but similar test
市場推廣工作將會延遲，直至就EB準向美國食品藥物管理局提交的註冊申請完成為止，藉以為是項新增但相類似的測試作準備</p> |
| <ul style="list-style-type: none"> - in Japan
於日本 | <p>Marketing efforts will be delayed until the FDA registration for EBGene has been completed to pave the way for this new but similar test
市場推廣工作將會延遲，直至就EB準向美國食品藥物管理局提交的註冊申請完成為止，藉以為是項新增但相類似的測試作準備</p> |
| <p>Launch of test for pleural effusion
推出肺積水測試</p> | |
| <ul style="list-style-type: none"> - in Hong Kong
於香港 | <p>During late June 2004 to end of 2004, marketing efforts have been made for these tests in Hong Kong and no sale was made. Licence agreement was terminated in January 2005
於2004年6月後旬至2004年底，已經為此等測試於香港進行市場推廣工作，惟並未有任何銷售。於2005年1月終止特許權協議</p> |

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Launch of test for organ transplant failure, trauma and stroke

為器官移植失敗、創傷及中風進行測試

- in Hong Kong
於香港

During late June 2004 to end of 2004, marketing efforts have been made for these tests in Hong Kong and no sale was made. Licence agreement was terminated in January 2005

於2004年6月底至2004年底，已經為此等測試於香港進行市場推廣工作，惟並未有任何銷售。於2005年1月終止特許權協議

- in Japan
於日本

During late July 2004 to end of 2004, marketing efforts have been made in Japan with end users and no sale was made. Licence agreement was terminated in January 2005

於2004年7月後旬至2004年底，已經為此等測試於日本向最終使用者進行市場推廣工作，惟並未有任何銷售。於2005年1月終止特許權協議

- in Australia and to appoint hospitals and laboratories as sub-licensees

於澳洲，委聘醫院與化驗所為轉授許可持有人

During late July 2004 to end of 2004, marketing efforts have been made in Australia with end users and no sale was made. Licence agreement was terminated in January 2005

於2004年7月後旬至2004年底，已經為此等測試於澳洲向最終使用者進行市場推廣工作，惟並未有任何銷售。於2005年1月終止特許權協議

Launch of test for beta HCG

推出人絨毛膜促性腺激素測試

- in Hong Kong
於香港

Since late June 2004, marketing efforts have been made for these tests in Hong Kong. However, no sales of these research kits up to date even there were preliminary and promising discussions with some end users

自2004年6月下旬開始，已在香港為此等測試進行市場推廣工作。即使與部份最終使用者進行初步磋商並取得令人滿意的結果，然而，迄今此等研究盒並未錄得銷售

Launch of test for HPL

推出胎盤生乳素測試

- in Hong Kong
於香港

Since late June 2004, marketing efforts have been made for these tests in Hong Kong. However, no sales of these research kits up to date even there were preliminary and promising discussions with some end users

自2004年6月下旬開始，已在香港為此等測試進行市場推廣工作。即使與部份最終使用者進行初步磋商並取得令人滿意的結果，然而，迄今此等研究盒並未錄得銷售

Launch of test for stomach cancer

推出胃癌測試

- in Japan
於日本

Since late July 2004, marketing efforts have been made in Japan with end users. However, no sales was recorded up to now

自2004年7月下旬開始，已在日本向最終使用者進行市場推廣工作，然而，迄今並未錄得銷售

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

Launch of foetal sex test for X-linked diseases

推出為檢驗伴性疾病的人胎性別測試

- in Hong Kong
於香港

The foetal sex test for X-linked diseases was delayed due to the ethical reason of sex selection

鑑於選擇性別的道德原因，故此已延遲就檢驗伴性疾病的人胎性別測試

- in Japan
於日本

Since October/November 2004, marketing efforts have been made in Japan with end users. However, no sales was recorded up to now

自2004年10/11月開始，已於日本向最終使用者進行市場推廣工作，然而，迄今並未錄得銷售

- in Australia
於澳洲

No suitable partner has been found in Australia as of now

迄今並未在澳洲找到合適合作夥伴

Launch of EBgastric test

推出EBgastric測試

- in Hong Kong
於香港

The target of EBgastric will be replaced by a general screening test panel based on the use of pepsinogen I and Gastrin 17 which are now under laboratory and clinical research

進行EBgastric測試的目標，將會由一般普查測試方法所取代，該方法乃利用胃蛋白酶原 I 及胃激素 17 (現正進行化學試驗及臨床研究) 進行測試

Launch of test for Down's syndrome

推出唐氏綜合症測試

- in Hong Kong
於香港

Due to the success of the old traditional standard non-invasive method, the Group has commenced to seek newer methodology research in this test since the last half of 2005 while continue to see whether the older licences can still be refined enough to yield a perfect test. Talks have now begun to use a new third party technology to develop this test

由於使用舊傳統標準非創傷性方法取得成功，將於2005年下半年開始尋求此測試更新的研究方法，而現正研究舊有的特許權能否再作改良以達致更理想的測試效果。正洽談開始使用此第三方科技以發展此測試

- in PRC
於中國

Due to the success of the old traditional standard non-invasive method, the Group has commenced to seek newer methodology research in this test since the last half of 2005 while continue to see whether the older licences can still be refined enough to yield a perfect test. Talks have now begun to use a new third party technology to develop this test

由於使用舊傳統標準非創傷性方法取得成功，將於2005年下半年開始尋求此測試的更新研究方法，而現正研究舊有的特許權能否再作改良以達致更理想的測試效果。正洽談開始使用此第三方科技以發展此測試

BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS COMPARISON

業務目標與實際業務進展的比較

- in Japan
於日本

Launch the screening test for the cancer potential of patients harbouring EBV reactivations

為有機會患上癌症的病人(帶有可能再度活躍的EB病毒)推出檢驗測試

- in Hong Kong
於香港

Launch the screening test for cancer

推出癌病檢驗測試

- in Hong Kong
於香港

Launch the Rhesus D test

推出若因抗抗體測試

- in Australia
於澳洲

- in Japan
於日本

Provide easy access for its customers to order the Group's testing services through the Internet and for delivery of blood specimens to its laboratory in Hong Kong by the Group's website

透過互聯網及本集團網頁，向顧客提供更便捷的途徑，以便訂購本集團的測試服務及送交血液樣本至本集團位於香港的化驗所

Since October/November 2004, marketing efforts have been made in Japan with end users. However, no sales was recorded up to now

自2004年10/11月開始，已於日本向最終使用者進行市場推廣工作，然而，迄今並未錄得銷售

The use of such a screening test will await the final results of the clinical testing of EBonco in 2006

待於2006年取得EBonco臨床測試的最終結果後，方會決定是否採納該項檢驗測試

Some of the new tests will be available in the latter part of 2006

部份新測試於2006年後期將可推出市面

Since October/November 2004, marketing efforts have been made in Australia with end users. However, no sales was recorded up to now

自2004年10/11月開始，已於澳洲向最終使用者進行市場推廣工作，然而，迄今並未錄得銷售

Since October/November 2004, marketing efforts have been made in Japan with end users. However, no sales was recorded up to now

自2004年10/11月開始，已於日本向最終使用者進行市場推廣工作，然而，迄今並未錄得銷售

At this moment, customers in Hong Kong have been catered to by the use of our daily collection and delivery service. For more international targets, marketing efforts will be delayed until the FDA registration for EBgene has been completed to pave the way for a worldwide recognition of the product

現時透過本集團提供的按日收集及送交服務，照顧香港顧客的需要。至於其他國際市場方面，市場推廣工作將會延遲，直至就EB準而向美國食品藥物管理局提交的註冊申請完成為止，藉以為產品爭取全球知名度而作準備

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

EXECUTIVE DIRECTORS

Mr. Lui Chi Wah, Johnny, aged 46, is a prominent and seasoned financial professional. He has been financial analyst for major brokerage firms, and stock commentator and columnist for public media. With more than fifteen years experience in Hong Kong's financial sector, Mr. Lui has gained strong rapport with entrepreneurs and has developed close ties with many enterprises, especially those in the medical and healthcare industry in Hong Kong and China. Mr. Lui was appointed as chairman, executive Director, chief executive officer and a member of remuneration committee of the Company on 2 August 2006. He was also appointed as compliance officer of the Company on 22 August 2006.

Mr. Wu Kai, aged 41, graduated from Department of Traditional Chinese Material Media of Gui Yang College of Traditional Chinese Medicine in Guizhou Province (貴州省貴陽市中醫學院藥學系) in 1985 and obtained his bachelor's degree in Medicine. Mr. Wu has over 15 years of sales and marketing experience in the pharmaceutical field. He has also worked in key management positions in pharmaceutical companies in Guizhou. Mr. Wu is a member of 中國中醫藥學會心病專業委員會 and 貴州省貴陽市南明區政治協商委員會. Mr. Wu was appointed as executive Director on 22 August 2006.

NON-EXECUTIVE DIRECTOR

Mr. Lau Kam Shan, aged 51, 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.

執行董事

呂志華先生，現年46歲，為著名的資深金融界專業人士。呂先生曾於多間主要證券公司任職金融分析工作，並於大眾傳媒機構任股評人及專欄作家。憑藉過往逾十五年在金融界的經驗，呂先生與商界關係良好，及與許多企業建立密切的聯繫，尤其是於香港及中國從事醫療及保健之公司。呂先生於2006年8月2日獲委任為本公司之主席、執行董事、行政總裁及薪酬委員會成員，同年8月22日獲委任為監察主任。

吳楷先生，現年41歲，在1985年畢業於貴州省貴陽市中醫學院藥學系及取得其醫學學士學位。吳先生擁有逾十五年在醫藥方面的銷售及推廣經驗。他曾在貴州製藥公司擔任主要管理職位。吳先生現為中國中醫藥學會心病專業委員會及貴州省貴陽市南明區政治協商委員會委員。吳先生於2006年8月22日獲委任為本公司之執行董事。

非執行董事

劉金山先生，現年51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。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Shun Tim, aged 31, graduated from Hong Kong University of Science and Technology (bachelor of business administration), and obtained his master degree from Hong Kong Polytechnic University (China business studies). Mr. Kwok is chief financial officer of Tianjin Tianlian Public Utilities Company Limited (stock code: 8290). He is also a non-executive director of China Leason Investment Group Co., Ltd (stock code: 8270). Mr. Kwok is member of The Association of Chartered Certified Accountants ("ACCA") and Hong Kong Institute of Certified Public Accountants ("HKICPA"). Mr. Kwok is experienced in the field of corporate finance, financial management and audit. Mr. Kwok was appointed as independent non-executive Director, chairman and a member of audit committee and a member of remuneration committee of the Company on 13 September 2006.

Mr. Chan Po Kwong, aged 50, is a merchant for the past twenty years. He has been engaging in real estates business in Hong Kong and overseas. He has worked in key executive positions in different trades, services including retail and wholesale of importing products for Hong Kong, Asian countries and Mainland China. Mr. Chan is a director of various companies with extensive experience in business restructuring, corporate financing and investments. Mr. Chan was appointed as an independent non-executive Director on 1 December 2004.

Mr. Wong Kin Fung, aged 55, is a health administrator and has worked in key position in both insurance and healthcare companies. Mr. Wong has over 29 years of experience in strategic planning, contract negotiation, operations management, process re-engineering, facilities management and claims in both Hong Kong and Asia. Mr. Wong was graduated from University of Utah, Salt Lake City, Utah, United States with bachelor degree in sciences of pharmacy. Mr. Wong is a licensed pharmacist of State of California and Territory of Guam and a certified instructor of Service Plus for Quality Improvement Process of QIP Inc. Mr. Wong was appointed as independent non-executive Director on 22 March 2006.

SENIOR MANAGEMENT

Ms. Leung Kwan Yu 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 HKICPA and a fellow member of the ACCA. Ms. Leung joined the Group in July 2002.

獨立非執行董事

郭純恬先生，現年31歲，郭先生畢業於香港科技大學(工商管理學士)，並取得香港理工大學碩士學位(中國商貿管理)，現彼為天津天聯公用事業股份有限公司(股份代號：8290)之首席會計師及中國聯盛投資集團有限公司(股份代號：8270)之非執行董事。郭先生為英國特許會計師公會及香港會計師公會會員，並在企業融資、財務管理及審計方面擁有豐富經驗。郭先生於2006年9月13日獲委任為本公司獨立非執行董事、審核委員會成員及主席同時亦為本公司薪酬委員會成員。

陳寶光先生，現年50歲，在過去二十年均為商人。陳先生在香港及外地從事房地產業務。在香港、亞洲國家及中國大陸，他工作範圍是為不同的貿易，服務包括入口貨品的零售及批發擔任主要行政職務。陳先生現為不同公司擔任董事，他擁有豐富的業務重組，公司融資及投資的經驗。在1993年，他曾是加拿大中國南方工業集團公司的前推廣人。陳先生於2004年12月1日獲委任為獨立非執行董事。

黃建豐先生，現年55歲，為健康管理人員並曾任職保險公司和保健公司主要職務。黃先生在香港及亞洲有多於29年從事制定策略計劃、協商合同、管理營運、重新釐定工作程序、設備管理及索償。黃先生畢業於美國猶他州鹽湖城猶他大學，持有藥劑學學位。黃先生是美國加州和關島的持牌藥劑師及隸屬QIP Inc.品質改良工程的一位獲認證的服務增值指導員。黃先生於2006年3月22日獲委任為獨立非執行董事。

高級管理層

梁郡如女士為本公司財務總監、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。梁女士於香港城市大學畢業，持有會計學學士學位，並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。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules for the year ended 30 June 2006, except for the following deviations:

Code Provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 30 June 2006, Dr. Yeung Wah Hin, Alex ("Dr. Alex Yeung") is the chairman and chief executive officer of the Company (before his resignation to act as chairman and chief executive officer of the Company on 2 August 2006) who is responsible for managing the Board and the Group's business. The Board considers that Dr. Alex Yeung's in-depth professional knowledge of medical and diagnostic field will definitely bring invaluable contribution to the Board. In replacement, Mr. Lui Chi Wah, Johnny ("Mr. Lui") was appointed as chairman and chief executive officer of the Company on 2 August 2006. The Board considers that Mr. Lui's extensive experience in financial sector and strong business network will definitely contribute to the development and future growth of the Group. The Board also considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the participation of experienced and high caliber members of the Board which meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Lui and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Group. Nevertheless, the Board will continually review the function of the Board and its relationship with the management, especially the necessity and the benefits of separating the roles of the chairman and chief executive officer.

Code Provision A.4

This code stipulates that all directors should be subject to re-election at regular intervals. The present Articles of Association of the Company do not provide for retirement by rotation of a director holding office as managing director or joint managing director. Proposed amendments to the Articles of Association of the Company will be put forward to the shareholders of the Company at the forthcoming annual general meeting in order to comply with the Code on Corporate Governance practices.

企業管治常規守則

本公司一向致力於維持高水準之企業管治以增加股東價值。在截至2006年6月30日止年度，本公司已遵守創業板上市規則附件15所載企業管治常規守則所規定的條例，以下之偏差除外：

守則條例A.2.1

此守則規定主席及行政總裁的責任應區分且不應由同一人擔任。於截至2006年6月30日之年度內，楊華顯醫生為本公司的主席及行政總裁（楊醫生於2006年8月2日已辭去該兩職位），同時負上管理董事會及本集團業務的責任。董事會認為楊醫生在醫療及斷症領域上具有深厚的專業知識，定可為董事會帶來無價的貢獻。呂志華先生於2006年8月2日接替楊醫生接任本公司主席及行政總裁。董事會認為呂先生於財經界的廣闊經驗及其強大的商業網絡肯定會對本集團的發展和未來的增長作出貢獻。董事會亦認為此一結構不會減弱董事會及本公司管理層的權力平衡。董事會成員都是經驗豐富及能幹，並定期討論影響本公司運作的問題，以確保權力得予平衡。董事會相信此一安排對一個強而貫徹的領導層具積極意義，使本集團能迅速及有效地訂定及執行決策。董事會深信呂先生之主席及行政總裁任命對本集團未來業務的展望有所裨益。雖然如此，但本集團仍會繼續審閱董事會的職能及其與管理層的關係，特別是關於是否需要把主席及行政總裁的角色分開與其相關的利益等事宜。

守則條例A.4

本守則規定所有董事應予定期重新選舉。本公司現在的組織章程並未規定任職董事總經理或聯席總經理的董事須輪值退任。因此在即將舉行的股東週年大會上，將建議修改本公司的章程細則以符合企業管治常規守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

Code Provision A.4.2

This code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders of the Company at the first general meeting after their appointment. The present Articles of Association of the Company only requires such directors who are appointed to fill a casual vacancy to be re-elected at the next annual general meeting. Proposed amendments to the Articles of Association of the Company will be put forward to the shareholders of the Company at the forthcoming annual general meeting in order to comply with the Code on Corporate Governance practices.

Code Provision A.4.4

This code stipulates that listed issuers should establish a nomination committee with specific written terms of reference. The nomination committee should, among others, (i) reviews the structure, size and composition of the board and make recommendations to the board regarding any proposed changes; (ii) identify individuals suitably qualified to become board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the board on matters relating to the appointment or re-appointment of directors and succession planning for directors.

The Company has not established a nomination committee. Instead, the full Board is involved in the appointment of new Directors. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new Director appointment. The Board will conduct in-depth assessment on the independence of candidates for the post of independent non-executive Directors.

Code Provision B.1.1

This code stipulates that listed issuers should establish a remuneration committee with specific written terms of reference. The Company established its remuneration committee on 8 June 2006 which, as at the date of this announcement, comprises one executive director and two independent non-executive Directors. The Company is still searching for other suitable candidates.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year. The Company has also made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by Directors.

守則條例A.4.2

本守則規定所有獲任命以填補短暫職位的董事應於其任命後第一個股東大會上重新選舉。本公司現行的章程細則只規定這些作短暫職位填補的董事須於下一股東週年大會重選。因此在即將舉行的股東週年大會上，將建議修改本公司的公司章程以符合企業管治常規守則。

守則條例A.4.4

本守則明定上市公司應設立提名委員會，並以書面界定其職權範圍。該提名委員會應(除其他事宜外)：(i)審閱董事會的結構、規模及組成並向董事會推薦任何變更的建議；(ii)確認合資格的人士加入董事會作為成員；(iii)評估獨立非執行董事的獨立性；(iv)向董事會推薦關於董事的任命及再任命與及各董事的承繼計劃。

本公司並未設立提名委員會，代之而以董事會全體參與董事的任命，同時亦會在任命新董事時顧及一些如專才、經驗、誠信及承擔的準則。董事會亦會進行深入的評估以確定獨立非執行董事候選人的獨立性。

守則條例B.1.1

本守則明定所有上市公司應設立薪酬委員會，並以書面界定其職權範圍。本公司於2006年6月8日成立其薪酬委員會。在此公佈日，該委員會包括一名執行董事和兩名獨立非執行董事。本公司仍在物色其他合適的候選人士。

董事證券交易

本公司已就董事進行的證券交易於年內採納行為守則，其所依據之條款並不遜於創業板上市規則第5.48至5.67條。同時本公司已就董事進行的證券交易向各董事特別查詢，而本公司並不知悉，任何違反規定的交易守則及其行為守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Board is responsible for determining the overall strategy; reviewing and approving the work plan of the Group; and overseeing the corporate governance of the Group. While the management of the Company is responsible for proposing and implementing the work plan of the Group, executing the day-to-day operation of the Group and undertaking any further responsibility as delegated by the Board from time to time.

During the year ended 30 June 2006, the Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors. The Company held four full board meeting during year ended 30 June 2006. The following shows the composition of the Board, name of individual Director and record of attendance of each Director:

董事會

董事會的責任在釐定本集團的整體策略，審閱及批准其工作計劃並監察其企業管治常規守則。而本公司管理層的責任則在建議及執行本集團的工作計劃，處理其日常之營運，同時不時承擔董事會委派的任何其他職務。

於截至2006年6月30日止年度，董事會的成員包括四名執行董事、一名非執行董事及三名獨立非執行董事。於上述年度內本公司已召開四次全體董事會會議，關於董事會的組成，成員的姓名及每名董事的出席記錄詳列如下：

Name of Director 董事姓名	Number of board meeting held during the Director's term of office 董事任期內召開 董事會會議的次數	Number of meeting attended 出席會議的次數
Executive Directors		
Dr. Yeung Wah Hin, Alex ^(a)	楊華顯醫生 ^(a)	4
Mr. Cheng Yan Tak, Angus Ronald ^(b)	鄭恩德先生 ^(b)	4
Mr. Cho Kam Luk ^(a)	曹金陸先生 ^(a)	4
Ms. Yeung Tsui Mai Ling, Margaret ^(a)	楊徐美玲女士 ^(a)	4
Non-executive Director		
Mr. Lau Kam Shan	劉金山先生	4
Independent Non-executive Directors		
Dr. Ngan Man Wong, Matthew ^(c)	顏文煌醫生 ^(c)	3
Dr. Lok Kai Tsu, Kevin ^(d)	陸凱祖醫生 ^(d)	1
Mr. Chan Siu Wing, Raymond ^(b)	陳兆榮先生 ^(b)	4
Mr. Chan Po Kwong	陳寶光先生	4
Mr. Wong Kin Fung ^(e)	黃建豐先生 ^(e)	1

Notes:

- (a) Resigned on 2 August 2006
- (b) Resigned on 22 August 2006
- (c) Resigned on 22 March 2006
- (d) Resigned on 24 October 2005
- (e) Appointed on 22 March 2006

附註：

- (a) 於2006年8月2日退任
- (b) 於2006年8月22日退任
- (c) 於2006年3月22日退任
- (d) 於2005年10月24日退任
- (e) 於2006年3月22日膺任

CORPORATE GOVERNANCE REPORT

企業管治報告

Reference is made to the Company's announcement on 22 August 2006 that the Company no longer complies with Rules 5.05 and 5.28 of the GEM Listing Rules since the resignation of Mr. Chan Siu Wing, Raymond and will seek the appropriate candidate to fill the vacancies as soon as practicable and within three months after failing to meet the requirements. With reference to the Company's announcement dated 13 September 2006, in replacement, Mr. Kwok Shun Tim was appointed as independent non-executive Directors on 13 September 2006.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Kam Shan, the non-executive Director and Dr. Ngan Man Wong, Matthew and Mr. Chan Siu Wing, Raymond, the independent non-executive Directors, has entered into an appointment letter with the Company with effect from the listing date of the Company on GEM until the Company's annual general meeting in 2005. The appointments are continued thereafter until termination notices are serviced by either parties.

Mr. Chan Po Kwong and Mr. Wong Kin Fung have been appointed as independent non-executive Directors of the Company for an initial term of two years which expiring on 30 November 2006 and 21 March 2008 respectively.

Mr. Kwok Shun Tim was appointed as independent non-executive Director for an initial period of one year which expiring on 12 September 2007.

REMUNERATION OF DIRECTORS

The remuneration committee was established on 8 June 2006 with specific terms of reference. The committee is mainly responsible for making recommendation to the Board on policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. As at 30 June 2006, the committee comprises two independent non-executive Directors, namely Mr. Chan Siu Wing, Raymond and Mr. Chan Po Kwong and one executive Director, namely Dr. Yeung Wah Hin, Alex. The committee has not convened any meeting up to 30 June 2006. As at the date of this annual report, the committee comprises two independent non-executive Directors, namely Mr. Kwok Shun Tim, Mr. Chan Po Kwong and one executive Director, namely Mr. Lui Chi Wah, Johnny.

參閱本公司於2006年8月22日之通告，由於陳兆榮先生的退任，本公司已不能符合創業板上市規則第5.05條及5.28條。因此，本公司將在切實可行情況下及其不符合有關規定後的三個月內，盡快尋找適當人選以填補空缺。參閱本公司於2006年9月13日所發出之通告，郭純恬先生已代替陳兆榮先生於2006年9月13日獲委任為獨立非執行董事。

非執行董事及獨立非執行董事之任期

非執行董事劉金山先生及獨立非執行董事顏文煌醫生及陳兆榮先生已與本公司訂定委任書，任期為本公司於創業板上市日起直至本公司於2005年召開的股東週年大會為止。此等委任將繼續有效直至任何一方通知對方終止委任時止。

陳寶光先生及黃建豐先生已獲委任為本公司獨立非執行董事，初始任期為兩年，分別於2006年11月30日及2008年3月21日屆滿。

郭純恬先生獲委任為獨立非執行董事，初始任何為1年，於2007年9月12日屆滿。

董事薪酬

本公司於2006年6月8日成立薪酬委員會並已界定其職權範圍。本委員會主要負責向董事會推薦建議各董事及高級管理層的薪酬政策及結構，並向董事會推薦建議設立正式及透明程序以發展該等薪酬的政策。於2006年6月30日，本委員會包括陳兆榮先生及陳寶光先生兩位獨立非執行董事及一位執行董事楊華顯醫生。自成立時起至2006年6月30日止，本委員會並未舉行任何會議。於本年報日，本委員會包括郭純恬先生及陳寶光先生兩位獨立非執行董事及一位執行董事呂志華先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

The auditors, RSM Nelson Wheeler, provide statutory audit services to the Group. For the year ended 30 June 2006, fee for statutory audit for the Group amounts to HK\$175,000.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The audit committee comprises three independent non-executive directors, namely Mr. Kwok Shun Tim, Mr. Chan Po Kwong and Mr. Wong Kin Fung. Mr. Kwok Shun Tim is the chairman of the committee since his appointment on 13 September 2006. The committee has met four times during the year.

The audit committee has reviewed the Group's audited results for the year ended 30 June 2006.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of accounts for each financial period with a view to ensuring such accounts give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring the appropriate accounting policies are selected and applied consistently; and that judgements and estimates made are prudent and reasonable.

核數師薪酬

本集團聘用羅申美會計師行為核數師提供法定審核服務。截至2006年6月30日止年度本集團支付175,000港元作為法定審核費用。

審核委員會

本公司遵照創業板上市規則的規定書面界定其職權範圍成立審核委員會。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閱及監督本集團的財務申報過程及內部監控程序。

審核委員會由三位獨立非執行董事組成，包括郭純恬先生、陳寶光先生及黃建豐先生。郭純恬先生自2006年9月13日受聘為獨立非執行董事起，一直擔任審核委員會主席。在本年度內審核委員會已開會四次。

審核委員會經已審閱本集團於2006年6月30日經審核業績。

董事對財務報表的責任

本公司董事就每一財政期間負責監管會計賬目的編製以確保此等賬目能提供本集團真實及公平的一般業務狀況及其在該期間內的業績及現金流。本公司的賬目乃遵照所有有關的法定規定及適合會計準則而編製，同時各董事亦肩負確保選擇並貫徹採用適當的會計政策之責任。各董事亦應確保其能作出審慎及合理的判斷及估計。

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 2006.

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 17 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 45 of this annual report.

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2006.

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 26 to the financial statements on pages 48 and 82 respectively of this annual report.

DONATIONS

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Group and Company are set out in note 25 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 five financial years is set out on page 96 of this annual report.

董事會欣然提呈彼等的年度報告及截至2006年6月30日止年度的經審核財務報表。

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17。

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45頁的經審核綜合收益表。

董事不建議派付截至2006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48頁的綜合權益變動表及第82頁的財務報表附註26。

捐款

本集團於年內並無作出慈善及其他捐款。

物業、廠房及設備

本集團物業、廠房及設備變動的詳情載於財務報表附註16。

附屬公司

本公司附屬公司的詳情載於財務報表附註17。

股本

本集團及本公司股本變動的詳情載於財務報表附註25。

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

本集團過去五個財政年度的業績及資產與負債概要載於本年報第96頁。

REPORT OF THE DIRECTORS

董事會報告

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 30 June 2006, the Company repurchased its own shares on GEM as follows:

購買、出售或贖回股份

截至2006年6月30日止年度內，本公司於創業板購回其本身股份之詳情如下：

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration paid	
		Highest	Lowest		
購回月份	購回股份數目	每股價格		已支付之總代價	
		最高	最低	總代價	
		HK\$	HK\$	HK\$	
		港元	港元	港元	
July 2005	2005年7月	3,500,000	0.207	0.178	655,796
November 2005	2005年11月	5,984,000	0.145	0.126	822,610
		9,484,000			1,478,406

The above shares were cancelled upon repurchases and accordingly the issued share capital of the Company was reduced by the par value of these shares which amounted to HK\$94,840. An aggregate amount of HK\$1,383,566 representing the premium portion and brokerage expenses payable on the repurchases was charged against the share premium account.

上述股份已於購回時註銷，因此，本公司之已發行股本按股份之面值計算減少94,840港元。一筆相等於購回之溢價部份及應付經紀開支合共1,383,566港元已於股份溢價賬中扣除。

The Directors have regard to the market price of the Company's shares at the time of the repurchases and considered that the Company's shares were undervalued in the market, so that it was the appropriate time to repurchase certain shares of the Company in order to support its share prices.

董事經考慮於購回股份時本公司股份之市價，並認為市場低估了本公司股份之市價，故此本公司已於適當時間購回若干股份以支持其股價。

Apart from the repurchases of shares as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares listed on GEM during the year ended 30 June 2006 (2005: 4,924,000 shares of the Company).

除上文披露之股份購回外，在截至2006年6月30日止年度內，本公司或其任何附屬公司概無於創業板購買、出售或贖回本公司之任何上市股份（2005年：4,924,000股之本公司股份）。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30 June 2006 comprised the share premium and accumulated losses which in aggregate amounts to HK\$20,404,614 (2005: HK\$44,734,475). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company.

本公司可供分派儲備

於2006年6月30日本公司可供分派儲備包括股份溢價及累計損失共20,404,614港元（2005年：44,734,475港元）。遵照開曼群島公司法（經修訂）、本公司的股份溢價可供分派或以股息分派予各股東，惟必須遵守公司章程內條款之規定，另緊接支付分派或股息後本公司在日常業務過程中有能力可即時歸還到期之債務。遵照本公司之章稅細則，股息應從本公司溢利或其他儲備（包括股份溢價賬項）中支付。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTIONS

1. 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 31(a) to the financial statements.

Movements of share options granted to the Directors under the Share Option Scheme for the year ended 30 June 2006 are as follows:

購股權

1. 購股權計劃(「購股權計劃」)由本公司當時之股東於2004年4月20日採納。購股權計劃之詳情載於財務報表附註31(a)。

根據購股權計劃，截至2006年6月30日止年度購股權的變動詳情如下：

Name of Director	Date of grant	Number of underlying shares in respect of which share options were granted					Exercise price
		Outstanding at 1/07/2005	Granted	Exercised/Cancelled/Lapsed	Outstanding at 30/06/2006		
董事姓名	授出日期	於2005年7月1日尚未行使	已授出	已行使/已銷註/已失效	於2006年6月30日尚未行使	行使價	
						HK\$ 港元	
Dr. Yeung Wah Hin, Alex	楊華顯醫生	2,222,222 ^(a&c)	-	-	2,222,222	0.225	
		19/06/2006	-	1,000,000 ^(d&f)	-	1,000,000	0.105
Mr. Cheng Yan Tak, Angus Ronald	鄭恩德先生	669,711 ^(a&c)	-	-	669,711	0.225	
		19/06/2006	-	500,000 ^(d&f)	-	500,000	0.105
Mrs. Yeung Tsui Mai Ling, Margaret	楊徐美玲女士	1,111,111 ^(a&c)	-	-	1,111,111	0.225	
		19/06/2006	-	500,000 ^(d&f)	-	500,000	0.105
Mr. Cho Kam Luk	曹金陸先生	1,111,111 ^(a&c)	-	-	1,111,111	0.225	
		19/06/2006	-	500,000 ^(d&f)	-	500,000	0.105
Mr. Lau Kam Shan	劉金山先生	1,111,111 ^(a&c)	-	-	1,111,111	0.225	
		19/06/2006	-	500,000 ^(d&f)	-	500,000	0.105
Dr. Ngan Man Wong, Matthew	顏文煌醫生	1,333,333 ^(b&c)	-	-	1,333,333	0.225	
		19/06/2006	-	455,342 ^(e&f)	-	455,342	0.105
Dr. Loh Kai Tsu, Kevin	陸凱祖醫生	1,333,333 ^(b&c)	-	-	1,333,333	0.225	
Mr. Chan Siu Wing, Raymond	陳兆榮先生	1,333,333 ^(b&c)	-	-	1,333,333	0.225	
		19/06/2006	-	600,000 ^(e&f)	-	600,000	0.105
Mr. Chan Po Kwong	陳寶光先生	-	948,493 ^(e&f)	-	948,493	0.105	
Total	合計	10,225,265	5,003,835	-	15,229,100		

Notes:

- (a) The share options are exercisable at any time for a period of three years from the date of grant.
- (b) The share options are exercisable at any time for a period of ten years from the date of grant.
- (c) The closing price of the shares of the Company immediately before 20 June 2005 on which the options were granted was HK\$0.225.

附註：

- (a) 購股權可於授出日期起計三年期間內任何時間行使。
- (b) 購股權可於授出日期起計十年期間內任何時間行使。
- (c) 緊接2005年6月20日(購股權授出日期)前本公司股份之收市價為0.225港元。

REPORT OF THE DIRECTORS

董事會報告

- (d) The share options are exercisable at any time for a period of three years from the date of grant. (d) 購股權可於授出日期起計三年期間內任何時間行使。
- (e) The share options are exercisable at any time for a period of ten years from the date of grant. (e) 購股權可於授出日期起計十年期間內任何時間行使。
- (f) The closing price of the shares of the Company immediately before 19 June 2006 on which the options were granted was HK\$0.105. (f) 緊按2006年6月19日(購股權授出日期)前本公司股份之收市價為0.105港元。

Movements of share options granted to eligible participants other than Directors under the Share Option Scheme for the year ended 30 June 2006 are as follows:

根據購股權計劃截至2006年6月30日止年度授予合資格參與者(董事除外)的購股權的變動詳情如下：

Number of underlying shares in respect of which share options were granted 已授出購股權涉及之相關股份數目

	Date of grant 授出日期	Outstanding at 1/07/2005 於2005年7月1日 尚未行使	Exercised/ Cancelled/ Lapsed 已行使/ 已銷註/ 已失效		Outstanding at 30/06/2006 於2006年6月30日 尚未行使	Exercise price 行使價 HK\$ 港元
			Granted 已授出			
Employees 員工	26/06/2006	-	4,700,000 ^{(a)(b)}		4,700,000	0.116
Other eligible participants 其他合資格參與人士	26/06/2006	-	3,600,000 ^{(a)(b)}	-	3,600,000	0.116

Notes:

附註：

- (a) The share options are exercisable at any time for a period of ten years from the date of grant. (a) 購股權可於授出日期起計十年期間內任何時間行使。
- (b) The closing price of the shares of the Company immediately before 26 June 2006 on which the options were granted was HK\$0.115. (b) 緊接2006年6月26日(購股權授出日期)前本公司股份之收市價為0.115港元。
2. 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 31(b) to the financial statements. 2. 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」)，本公司可於該等協議之4年期限(由2004年6月18日開始)期間授出購股權予中文大學。有關協議之詳情載於財務報表附註31(b)。

During year ended 30 June 2005, share option of 4,484,305 shares was granted to the Chinese University on 28 June 2005 with exercise period from 28 December 2005 to 27 June 2010 and exercise price at HK\$0.223. The closing price of the shares of the Company immediately before 28 June 2005 on which the options were granted was HK\$0.223.

於截至2005年6月30日止年度內，本公司於2005年6月28日向中文大學授出購股權4,484,305股，行使價為0.223港元而行使期間為2005年12月28日至2010年6月27日。緊接2005年6月28日(購股權授出日期)前本公司股份之收市價為0.223港元。

REPORT OF THE DIRECTORS

董事會報告

During year ended 30 June 2006, share option of 9,482,758 shares was granted to the Chinese University on 26 June 2006 with exercise period from 26 December 2006 to 25 June 2011 and exercise price at HK\$0.116. The closing price of the shares of the Company immediately before 25 June 2006 on which the options were granted was HK\$0.115.

None of the share options granted to Chinese University has been exercised, cancelled or lapsed.

DIRECTORS

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

Mr. Lui Chi Wah, Johnny (appointed on 2 August 2006)
 Mr. Wu Kai (appointed on 22 August 2006)
 Dr. Yeung Wah Hin, Alex (resigned on 2 August 2006)
 Mr. Cheng Yan Tak, Angus Ronald (resigned on 22 August 2006)
 Mr. Cho Kam Luk (resigned on 2 August 2006)
 Mrs. Yeung Tsui Mai Ling, Margaret (resigned on 2 August 2006)
 Mr. Lau Kam Shan*
 Dr. Ngan Man Wong, Matthew** (resigned on 22 March 2006)
 Dr. Loh Kai Tsu, Kevin** (resigned on 24 October 2005)
 Mr. Chan Siu Wing, Raymond** (resigned on 22 August 2006)
 Mr. Kwok Shun Tim** (appointed on 13 September 2006)
 Mr. Chan Po Kwong**
 Mr. Wong Kin Fung** (appointed on 22 March 2006)

* Non-executive Director

** Independent non-executive Directors

In accordance with Article 95, Mr. Lui Chi Wah, Johnny, Mr. Wu Kai, Mr. Kwok Shun Tim and Mr. Wong Kin Fung shall retire from office at the forthcoming annual general meeting of the Company (the "2006 Annual General Meeting").

於截至2006年6月30日止年度內，本公司於2006年6月26日向中文大學授出購股權9,482,758股，行使價為0.116港元而行使期間為2006年12月26日至2011年6月25日。緊按2006年6月25日(購股權授出日期)前本公司股份之收市價為0.115港元。

年內並無已行使、註銷或失效的授予中文大學之購股權。

董事

年內並直至此年報日止之董事名單：

呂志華先生(於2006年8月2日膺任)
 吳楷先生(於2006年8月22日膺任)
 楊華顯醫生(於2006年8月2日退任)
 鄭恩德先生(於2006年8月22日退任)
 曹金陸先生(於2006年8月2日退任)
 楊徐美玲女士(於2006年8月2日退任)
 劉金山先生*
 顏文煌醫生** (於2006年3月22日退任)
 陸凱祖醫生** (於2005年10月24日退任)
 陳兆榮先生** (於2006年8月22日退任)
 郭純恬先生** (於2006年9月13日膺任)
 陳寶光先生**
 黃建豐先生** (於2006年3月22日膺任)

* 非執行董事

** 獨立非執行董事

根據細則第95條，呂志華先生、吳楷先生、郭純恬先生及黃建豐先生將於即將召開的本公司股東週年大會(「2006年股東大會」)上退任。

REPORT OF THE DIRECTORS**董事會報告**

Mr. Lui Chi Wah, Johnny, Mr. Wu Ka and Mr. Kwok Shun Tim being eligible, offer themselves for re-election as respective executive Directors and independent non-executive Director at the 2006 Annual General Meeting. Mr. Wong Kin Fung will not offer himself for re-election as independent non-executive Director at the 2006 Annual General Meeting.

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, Mr. Lau Kam Shan will retire at the 2006 Annual General Meeting. Mr. Lau Kam Shan, being eligible, offers himself for re-election as non-executive Director.

DIRECTORS' SERVICE CONTRACTS

Mr. Chan Po Kwong has been appointed as an independent non-executive Director for a term of two years expiring on 30 November 2006. The appointment is subject to retirement by rotation and other related provisions as stipulated in the Articles of Association of the Company.

Mr. Wong Kin Fung has been appointed as an independent non-executive Director for a term of two years expiring on 21 March 2008. The appointment is subject to retirement by rotation and other related provisions as stipulated in the Articles of Association of the Company.

Mr. Kwok Shun Tim has been appointed as an independent non-executive Director for a term of one year expiring on 13 September 2007. The appointment is subject to retirement by rotation and other related provisions as stipulated in the Articles of Association of the Company.

Other than as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other statutory compensation.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

呂志華先生、吳楷先生及郭純恬先生(因合資格)將於2006年股東大會上各自提出重選為執行董事及獨立非執行董事，而黃建豐先生將不會在2006年股東大會上提出重選。

按照本公司組織章程細則的細則第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。

據此，劉金山先生將於2006年股東大會上退任，並(因其合資格)提出重選為非執行董事。

董事的服務合約

陳寶光先生已獲委任為獨立非執行董事，任期為2年，將於2006年11月30日屆滿。有關委任須遵照本公司之細則及其他相關條文所訂明者輪值退任。

黃建豐先生已獲委任為獨立非執行董事為期兩年並於2008年3月21日屆滿。該任命須輪值退任並須遵守本公司章程細則中明定的條款。

郭純恬先生已獲委任為獨立非執行董事，為期1年於2007年9月13日屆滿。該任命須輪值退任並須遵守本公司章程細則中明定的條款。

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1年內終止而毋須作出賠償(法定賠償除外)的服務合約。

獨立非執行董事的任命

根據創業板上市規則為5.09條本公司已收到各獨立非執行董事獨立性之確認。本公司認為所有獨立非執行董事均為獨立。

REPORT OF THE DIRECTORS

董事會報告

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

As at 30 June 2006, the interests of the Directors and the chief executives and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code"), were as follows:

The Company

Long positions in ordinary shares of HK\$0.01 each:

董事及高級行政人員於股份及相關股份的權益

於2006年6月30日，根據證券及期貨條例（「證券及期貨條例」）第352條須登記於本公司的登記冊內或根據上市公司董事進行證券交易的標準守則（「標準守則」）須通知本公司及聯交所關於本公司各董事及高級行政人員及其聯繫人於本公司及其聯繫團體的股份及相關股份權益如下：

本公司

面值0.01港元的普通股股份好倉：

Number of shares held, capacity and nature of interests

所持股份數目、身份及權益性質

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	Percentage of the Company's issued share capital 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	48,170,370	-	50,538,824	13.53%
Mrs. Yeung Tsui Mai Ling, Margaret	楊徐美玲女士	2	48,170,370	2,368,454	-	50,538,824	13.53%
Mr. Cheng Yan Tak, Angus Ronald	鄭恩德先生	3	-	-	12,574,648	12,574,648	3.37%

Notes:

- Under the SFO, Dr. Yeung Wah Hin, Alex will be deemed to be interested in the 48,170,370 shares, representing 12.90% of the issued share capital of the Company held by Mrs. Yeung Tsui Mai Ling, Margaret, his spouse and also a Director. Dr. Yeung Wah Hin, Alex resigned as Director on 2 August 2006.
- Under the SFO, Mrs. Yeung Tsui Mai Ling, Margaret will be deemed to be interested in the 2,368,454 shares, representing 0.63% of the issued share capital of the Company held by Dr. Yeung Wah Hin, Alex, her spouse and also a Director. Mrs. Yeung Tsui Mai Ling, Margaret resigned as Director on 2 August 2006.
- 12,574,648 shares were held by Vanbarry Corporation, representing 3.37% of the Company's shares in issue as at 30 June 2006. Vanbarry Corporation is wholly owned by Mr. Cheng Yan Tak, Angus Ronald. Mr. Cheng Yan Tak, Angus Ronald resigned as Director on 22 August 2006.

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48,170,370股股份中擁有權益，該等股份佔本公司已發行股本12.90%。楊華顯醫生已於2006年8月2日退任董事一職。
- 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0.63%。楊徐美玲女士已於2006年8月2日退任董事一職。
- 該12,574,648股股份由Vanbarry Corporation持有，佔本公司於2006年6月30日的已發行股份3.37%。Vanbarry Corporation由鄭恩德先生全資擁有。鄭恩德先生已於2006年8月22日退任董事一職。

REPORT OF THE DIRECTORS

董事會報告

Saved as disclosed above and share options granted to the Directors as disclosed under the paragraph headed "Share options" in this Report of the Directors, 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 2006 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 2006, the following interests 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:

The Company

Long positions in ordinary shares of HK\$0.01 each:

除上文所披露者及誠如本董事會報告內「購股權」一段所披露者外，於2006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任何權益或淡倉。

主要股東於股份及相關股份的權益

於2006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

面值0.01港元的普通股股份好倉：

Number of shares held, capacity and nature of interests 所持股份數目、身份及權益性質

Name of shareholders 股東名稱	Notes 附註	Number of shares held			Percentage of the Company's issued share capital		
		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	48,170,370	-	50,538,824	13.53%
Mrs. Yeung Tsui Mai Ling, Margaret	楊徐美玲女士	1	48,170,370	2,368,454	-	50,538,824	13.53%
Spring Biotech Limited	Spring Biotech Limited	2	47,395,524	-	-	47,395,524	12.69%
Town Health Bio-Medical Technology Limited	康健醫藥生物科技有限公司	2	-	-	47,395,524	47,395,524	12.69%
Town Health International Holdings Company Limited ("Town Health")	康健國際控股有限公司("康健")	2&3	-	-	47,395,524	47,395,524	12.69%
Broad Idea International Limited	Broad Idea International Limited	3	-	-	47,395,524	47,395,524	12.69%
Dr. Cho Kwai Chee	曹貴子醫生	3	-	-	47,395,524	47,395,524	12.69%
Dr. Francis Choi Chee Ming J.P.	蔡志明博士	3	-	-	47,395,524	47,395,524	12.69%
Mr. Lui Chi Wah, Johnny	呂志華先生	4	18,716,000	-	-	18,716,000	5.01%
Mr. U Man Tong	于文勇先生		32,000,000	-	-	32,000,000	8.57%
The Applied Research Council	應用研究局		46,596,000	-	-	46,596,000	12.16%

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. Dr. Yeung Wah Hin, Alex and Mrs. Yeung Tsui Mai Ling, Margaret are also Directors of the Company during the year ended 30 June 2006. They both resigned as Directors on 2 August 2006.
2. Spring Biotech Limited is beneficially wholly owned by Town Health Bio-Medical Technology Limited which in turn beneficially wholly owned by Town Health.
3. Town Health is a company whose shares listed on GEM. As at the date of this report, Town Health is beneficially owned as to approximately 49.68% by Broad Idea International Limited and as to approximately 5.83% by Prudential Plc. Broad Idea International Limited is beneficially owned as to 50.10% by Dr. Cho Kwai Chee and as to 49.90% by Dr. Francis Choi Chee Ming J.P. Mr. Cho Kam Luk (the father of Dr. Cho Kwai Chee), an executive Director of the Company who resigned on 2 August 2006, directly beneficially owns 0.02% of Town Health.
4. Mr. Lui Chi Wah, Johnny was appointed as chairman, executive Director, chief executive officer and a member of remuneration committee of the Company on 2 August 2006. He was also appointed as compliance officer of the Company on 22 August 2006.

Saved as disclosed above and share options granted to Dr. Yeung Wah Hin, Alex, Mrs. Yeung Tsui Mai Ling, Margaret and Mr. Cho Kam Luk under the paragraph headed "Share options" in this Report of the Directors, 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 2006 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 2006, the Group's sales to its five largest customers and the largest customer were 37.97% and 14.94% of the total sales respectively. The Group's purchases from its five largest suppliers and the largest supplier were 63.73% and 16.70% of the total purchases respectively.

At no time during the year, none of the Directors, their associates, or any shareholders of the Company (which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had a beneficial interest in anyone of the Group's top five customers and suppliers during the year.

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.

附註：

1. 於截至2006年6月30日為止之年度內楊華顯醫生及楊徐美玲女士亦為本公司董事，但均於2006年8月2日退任董事。
2. Spring Biotech Limited由康健醫藥生物科技公司實益全資擁有，康健醫藥生物科技公司則由康健實益全資擁有。
3. 康健為一家股份於創業板上市的公司。於本報告日期，康健由Broad Idea International Limited 實益擁有約49.68%及由Prudential Plc. 實益擁有約5.83%，Broad Idea International Limited則由曹貴子醫生實益擁有50.10%及蔡志明博士實益擁有49.90%。本公司執行董事曹金陸先生(曹貴子醫生之父親，其於2006年8月2日退任)直接實益擁有康健的0.02%。
4. 於2006年8月2日，呂志華先生獲委任為本公司之主席、執行董事、行政總裁及薪酬委員會之成員，並於2006年8月22日獲委任為監察主任。

除上文所披露者及根據本董事會報告內「購股權」一段所指授出購股權予楊華顯醫生、楊徐美玲女士與曹金陸先生外，於2006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2006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37.97%及14.94%。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63.73%及16.70%。

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%以上之任何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 2006 are set out in note 27 to the financial statements.
- (b) The following transaction 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 and 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 who resigned on 2 August 2006, was also a former executive director of Town Health and holds 0.02% issued share capital of Town Health as of the date of this annual report.

The community research programme was continued in a limited scale in early July 2004 and HK\$48,245 was received for the year ended 30 June 2005. Details are set out in note 27(a) to the financial statements. Sales of diagnostic testing services received from Spring Biotech Limited during the year ended 30 June 2006 was amounted to HK\$12,185 and are also set out in 27(a) to the financial statements.

- (ii) A renewal of sub-tenancy agreement dated 25 April 2005 was entered into between the Company and Wellchamp Capital Limited ("Wellchamp") for the sharing of office for the period from 13 February 2005 to 12 February 2007 with the monthly rental of HK\$29,500. Other terms are remained the same with the previous tenancy agreement signed. Wellchamp is owned as to 97.6% by Mr. Cheng Yan Tak, Angus Ronald, an executive Director (who resigned on 22 August 2006) and an ultimate shareholder of the Company.

For the year ended 30 June 2006, the net rental and utility charges received from Wellchamp was HK\$365,685 (2005: HK\$331,060). Details are set out in note 27(b) to the financial statements.

關連交易

- (a) 本集團於截至2006年6月30日止之年度內所訂立之重大關連人士交易詳列於本財務報表附錄27。
- (b) 遵照創業板上市規則以下之交易已構成非豁免持續關連交易並須在此披露：
- (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，並於2002年8月7日訂立一項補充協議，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聯合進行的社區研究計劃。執行董事曹金陸先生亦為康健的前任執行董事，於本年報刊發日期持有康健0.02%的已發行股本。曹先生已於2006年8月2日退任。

社區研究計劃於2004年7月初繼續以有限度規模進行，而於截至2005年6月30日止年度已收取48,245港元。有關詳情載於財務報表附註27(a)。截至2006年6月30日止年度，自Spring Biotech Limited收取的診斷測試服務費為12,185港元。有關詳情載於財務報表附註27(a)。

- (ii) 本公司與Wellchamp Capital Limited(「Wellchamp」)於2005年4月25日重續了一項分租協議，以由2005年2月13日起至2007年2月12日止期間分租辦公室，月租為29,500港元。其他條款與先前簽立之租賃協議維持不變。Wellchamp由本公司執行董事兼最終股東鄭恩德先生(已於2006年8月22日退任)持有97.6%股權。

截至2006年6月30日止年度，自Wellchamp收取的租金淨額及水電費為365,685港元(2005年：331,060港元)。有關詳情載於財務報表附註27(b)。

REPORT OF THE DIRECTORS

董事會報告

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" and the paragraph headed "Share options" in this Report of the Directors and "Share options" in note 31 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.

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 2006.

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.

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條至第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、本董事會報告「購股權」一段及財務報表附註31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利益，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。

保薦人權益

按第一上海融資有限公司(「保薦人」)所知會，於2006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。

REPORT OF THE DIRECTORS**董事會報告**

During the year ended 30 June 2006, First Shanghai Securities Limited, being a fellow subsidiary of the Sponsor, whose ordinary businesses involve the trading and dealing in securities (including derivatives), had acted as a broker for the Company to conduct share repurchases on GEM of the Stock Exchange and received commission and handling fee from the Company.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANT

Other than as disclosed under the heading "Connected transactions", no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the period or at any time during the year.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The audit committee comprises three independent non-executive directors, namely Mr. Kwok Shun Tim, Mr. Chan Po Kwong and Mr. Wong Kin Fung. Mr. Kwok Shun Tim is the chairman of the committee since his appointment on 13 September 2006. The committee has met four times during the year.

The audit committee has reviewed the Group's audited results for the year ended 30 June 2006.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on page 25 to page 26 of this annual report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Directors on the basis of the merit, qualifications and competence.

The emoluments of the Directors are decided by the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors, employees and other eligible participants, details of the scheme is set out in note 31(a) to the financial statements.

於截至2006年6月30日為止之年度內，第一上海證券有限公司（乃保薦人之同系附屬公司），其一般業務涉及證券及衍生金融工具之買賣及交易，曾充當本公司之經紀在聯交所創業板上購回股份並向本公司收取佣金及手續費。

董事於重大合約的權益

除在標題為「關連交易」所披露者外，本公司董事並無在本公司、其控股公司或其任何同系附屬公司及附屬公司所訂立，且於年結日成本年度內任何時間仍然生效之任何重大合約上，直接或間接擁有任何重大權益。

審核委員會

本公司經已成立審核委員會，並根據創業板上市規則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。

審核委員會由郭純恬先生、陳寶光先生及黃建豐先生三位獨立非執行董事所組成。自從於2006年9月13日獲委任後，郭純恬先生擔任審核委員會主席。在本年度內，審核委員會舉行過四次會議。

審核委員會已審閱本集團截至2006年6月30日止年度的經審核財務報表。

企業管治

本公司就已採納之主要企業管治常規於本年報第25至第26頁提呈報告。

薪酬政策

本集團之僱員薪酬政策乃由董事會按彼等之優點、資歷及能力而定。

本公司董事之薪酬乃由董事會經考慮本公司經營業績、個別表現以及市場可供比較之數據而定。

本公司已採納購股權計劃，以向董事、僱員及其他合資格參與人士提供獎勵，計劃詳情載於財務報表附註31(a)。

REPORT OF THE DIRECTORS

董事會報告

SIGNIFICANT INVESTMENT/POST BALANCE SHEET EVENT

In July 2004, surplus cash of approximately HK\$7,846,000 was invested in US Treasury Notes. The unrealised holding loss of the US Treasury Notes (included under "Other operating expenses" in the consolidated income statement) was amounted to approximately HK\$332,000 for the year ended 30 June 2006. Such unrealised loss of HK\$332,000 was largely compensated by the attributable interest income of approximately HK\$307,000.

The Company had disposed of the Treasury Notes in August 2006 for a consideration of approximately HK\$7,524,000.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. RSM Nelson Wheeler as auditors of the Company.

For and on behalf of the Board
Lui Chi Wah, Johnny
Chairman

Hong Kong, 21 September 2006

重大投資／結算日後事宜

於2004年7月，投資於美國國庫票據的現金盈餘約為7,846,000港元。於截至2006年6月30日止之年度內因持有美國國庫票據之未實現損失(包括在綜合收益表「其他營運費用」中)約為332,000港元。此332,000港元的未實現損失大部份已被約307,000港元的應佔利息收入所抵銷。

於2006年8月份本公司已以7,524,000港元的價格出售上述之美國國庫票據。

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。

代表董事會
主席
呂志華

香港，2006年9月21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 45 to 95 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 financial 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 Hong Kong Standards on Auditing 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 of the Group, consistently applied and adequately disclosed.

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45頁至第95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務報表時，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，並謹向整體股東報告，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香港審計準則進行審核工作。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。

AUDITORS' REPORT

核數師報告

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2006 and of the results 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.

RSM Nelson Wheeler

Certified Public Accountants
Hong Kong

21 September 2006

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。

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2006年6月30日的財務狀況，及 貴集團截至該日止年度的業績及現金流量，並已按照香港公司條例的披露規定妥為編製。

羅申美會計師行

執業會計師
香港

2006年9月21日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 30 June 2006 截至2006年6月30日止年度

		Notes	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
		附註		
Turnover	營業額	6	1,368,404	1,133,297
Cost of sales	銷售成本		(1,308,230)	(1,048,689)
			60,174	84,608
Other revenue and gains	其他收入及收益	7	1,182,374	596,679
			1,242,548	681,287
Selling and distribution expenses	銷售及分銷費用		(510,437)	(556,026)
Administration expenses	行政費用		(4,737,887)	(4,097,754)
Other operating expenses	其他營運費用		(5,564,684)	(1,618,180)
Loss before taxation	除稅前虧損	8	(9,570,460)	(5,590,673)
Taxation	稅項	9	-	-
Loss attributable to equity holders of the Company	本公司股東應佔虧損	11	(9,570,460)	(5,590,673)
Loss per share – basic	每股虧損 – 基本	12	(2.55 cents)	(1.62 cents)

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 30 June 2006 於2006年6月30日

		Notes	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
		附註		
Non-current assets	非流動資產			
Intangible assets	無形資產	15	-	3,504,711
Property, plant and equipment	物業、廠房及設備	16	2,421,980	606,109
			2,421,980	4,110,820
Current assets	流動資產			
Financial assets at fair value through profit or loss	經損益賬按公平值入賬之金融資產	18	7,398,530	-
Other investments	其他投資	19	-	7,730,989
Inventories	存貨	20	44,846	33,514
Trade and other receivables	貿易及其他應收款項	21	612,568	801,896
Cash and bank balances	現金及銀行結餘	22	18,038,807	24,862,719
			26,094,751	33,429,118
Less: Current liabilities	減：流動負債			
Other payables and accrued charges	其他應付及應計費用	23	652,935	546,602
Net current assets	流動資產淨值		25,441,816	32,882,516
Net assets	資產淨值		27,863,796	36,993,336
Capital and reserves	資本及儲備			
Share capital	股本	25	3,735,920	3,830,760
Reserves	儲備		24,127,876	33,162,576
Total equity	權益總額		27,863,796	36,993,336

Approved by the Board of Directors on 21 September 2006

董事會於2006年9月21日核准

Lui Chi Wah, Johnny

呂志華

Director

董事

Wu Kai

吳楷

Director

董事

BALANCE SHEET**資產負債表**

As at 30 June 2006 於2006年6月30日

		Notes 附註	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	17(a)	795,107	8
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	17(b)	48,747	15,981,350
Financial assets at fair value through profit or loss	經損益賬按公平值入賬之金融資產	18	7,398,530	–
Other investments	其他投資	19	–	7,730,989
Other receivables and prepayments	其他應收款項及預付款項	21	387,988	359,716
Cash and bank balances	現金及銀行結餘	22	17,670,533	24,794,064
			25,505,798	48,866,119
Less: Current liabilities	減：流動負債			
Other payables and accrued charges	其他應付款項及應計費用	23	241,045	300,892
Net current assets	流動資產淨值		25,264,753	48,565,227
Net assets	資產淨值		26,059,860	48,565,235
Capital and reserves	資本及儲備			
Share capital	股本	25	3,735,920	3,830,760
Reserves	儲備	26	22,323,940	44,734,475
Total equity	權益總額		26,059,860	48,565,235

Approved by the Board of Directors on 21 September 2006

董事會於2006年9月21日核准

Lui Chi Wah, Johnny
呂志華
Director
董事

Wu Kai
吳楷
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

For the year ended 30 June 2006 截至2006年6月30日止年度

		Reserves 儲備					Total 總值
		Share capital 股本 HK\$ 港元	Share premium 股份溢價 HK\$ 港元	Share option reserves 購股權儲備 HK\$ 港元	Accu- lated losses 累計虧損 HK\$ 港元	Sub-total of reserves 儲備小計 HK\$ 港元	
Balance at 1 July 2004	於2004年7月1日之結餘	3,278,000	33,294,368	-	(7,874,955)	25,419,413	28,697,413
First Post IPO Conversion of Convertible Notes	首次公開發售後第一次 轉換可換股票據	344,000	8,256,000	-	-	8,256,000	8,600,000
Second Post IPO Conversion of Convertible Notes	首次公開發售後第二次 轉換可換股票據	258,000	6,192,000	-	-	6,192,000	6,450,000
Shares repurchase	股份回購	(49,240)	(1,114,164)	-	-	(1,114,164)	(1,163,404)
Loss for the year	本年度虧損	-	-	-	(5,590,673)	(5,590,673)	(5,590,673)
Balance at 30 June 2005 and 1 July 2005	於2005年6月30日及 2005年7月1日之結餘	3,830,760	46,628,204	-	(13,465,628)	33,162,576	36,993,336
Shares repurchase	股份購回	(94,840)	(1,383,566)	-	-	(1,383,566)	(1,478,406)
Recognition of share-based payment	確認以股份 為基礎之付款	-	-	1,919,326	-	1,919,326	1,919,326
Loss for the year	本年度虧損	-	-	-	(9,570,460)	(9,570,460)	(9,570,460)
Balance at 30 June 2006	於2006年6月30日結餘	3,735,920	45,244,638	1,919,326	(23,036,088)	24,127,876	27,863,796

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 30 June 2006 截至2006年6月30日止年度

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
CASH FLOWS FROM OPERATING ACTIVITIES 經營活動現金流量			
Loss before taxation	除稅前虧損	(9,570,460)	(5,590,673)
Adjustments for:	調整：		
Amortisation of intangible assets	無形資產攤銷	459,757	451,208
Depreciation	折舊	679,082	371,961
Impairment losses of intangible assets	無形資產減值損失	3,158,397	-
Interest income	利息收入	(1,061,081)	(588,062)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(108,000)	-
Share-based payment expenses	以股份為基礎之付款費用	1,919,326	-
Fair value loss of financial assets at fair value through profit or loss	經損益賬按公平值入賬之金融資產之公平值損失	332,459	-
Unrealised holding loss of other investments	持有其他投資之未實現虧損	-	114,924
Write-off of intangible assets	無形資產撇賬	-	419,087
Write-off of property, plant and equipment	物業、廠房及設備撇賬	133,127	-
Operating loss before working capital changes	營運資金變動前經營虧損	(4,057,393)	(4,821,555)
(Increase)/Decrease in inventories	存貨(增加)/減少	(11,332)	8,483
Decrease/(Increase) in trade and other receivables	貿易及其他應收款項減少/(增加)	189,328	(78,203)
Increase/(Decrease) in other payables and accrued charges	其他應付及應計費用增加/(減少)	106,333	(465,900)
Net cash used in operating activities	經營活動所用現金淨額	(3,773,064)	(5,357,175)
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動現金流量			
Purchases of property, plant and equipment	購置物業、廠房及設備	(2,628,080)	(55,666)
Payments for licences and patents	支付特許及專利權	(113,443)	(395,722)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	108,000	-
Acquisition of other investments	收購其他投資	-	(7,845,913)
Interest received	已收利息	1,061,081	588,062
Net cash used in investing activities	投資活動所用現金淨額	(1,572,442)	(7,709,239)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 30 June 2006 截至2006年6月30日止年度

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動現金流量			
Shares repurchase	股份購回	(1,478,406)	(1,163,404)
Net cash used in financing activities	融資活動所用現金淨額	(1,478,406)	(1,163,404)
NET DECREASE IN CASH AND CASH EQUIVALENTS 現金及現金等值結餘減少淨額			
		(6,823,912)	(14,229,818)
CASH AND CASH EQUIVALENTS 年初的現金及現金等值結餘			
AT BEGINNING OF YEAR		24,862,719	39,092,537
CASH AND CASH EQUIVALENTS 年終的現金及現金等值結餘			
AT END OF YEAR		18,038,807	24,862,719
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等值結餘分析			
Cash and bank balances	現金及銀行結餘	18,038,807	24,862,719

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

1. GENERAL

The Company is incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Growth Enterprise Market ("GEM Board") of the The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company and its subsidiaries (the "Group").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

2. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards and Interpretations ("HKASs") (hereinafter collectively referred to as "New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005. The adoption of these New HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

(a) Financial instruments

The adoption of HKAS 32 "Financial Instruments: Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets.

HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for Investments in Securities" to investments in securities for the 2005 comparative information. The adjustments required for the accounting differences between previous SSAP 24 and HKAS 39 are determined and recognised at 1 July 2005.

1. 概略

本公司乃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。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）。

本綜合財務報表以港元呈列。港元為本公司及其附屬公司（「本集團」）之功能貨幣。

本公司為一家投資控股公司，其主要附屬公司之主要業務載於財務報表附錄17。

2. 新增及經修訂香港財務報告準則之採納

於本年度，本集團已採納所有與營運有關由香港會計師公會頒佈及於2005年1月1日或以後之會計期間生效的新增及經修訂香港財務報告準則（「香港財務報告準則」）及香港會計準則及詮釋（「香港會計準則」）（以下統稱「新訂香港財務報告準則」）。新訂香港財務報告準則對本集團本年度及去年度的會計政策及賬目金額並未做成重大的改變（以下所述除外）。

(a) 金融工具

香港會計準則第32號「金融工具：披露」及香港會計準則第39號「金融工具：確認及計量」的採納已對「經損益賬按公平值入賬的金融資產」及「可供出售的金融資產」之分類有關的會計政策造成變動。

香港會計準則第39號並不容許追溯金融資產及負債的確認、撤銷確認或計量。本集團採用前會計實務準則第24號「證券投資之會計準則」來處理2005年的證券投資。前會計實務準則第24號及香港會計準則第39號所引至的差異已於2005年7月1日作出調整並確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

2. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(a) Financial instruments (continued)

The adoption of HKASs 32 and 39 resulted in changes in the amounts reported in the financial statements as follows:

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Increase in financial assets at fair value through profit or loss	經損益賬按公平值入賬之 金融資產增加	7,730,989	-
Decrease in other investments	其他投資之減少	(7,730,989)	-
Increase in fair value loss of financial assets at fair value through profit or loss	經損益賬按公平值入賬之 金融資產虧損增加	332,459	-
Decrease in unrealised holding loss of other investments	持有其他投資之 未實現虧損減少	(332,459)	-

(b) Share-based payment

The adoption of HKFRS 2 "Share-based Payment" has resulted in change in the accounting policy for share options granted to directors, employees, other eligible participants and the Chinese University of Hong Kong (the "Chinese University"). Prior to this, the grant of share options did not result in a charge to the income statement. Upon the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods and expensed to the income statement. This change in accounting policy has been applied retrospectively.

However, the Group has taken advantage of the transitional provisions of HKFRS 2, under which this new accounting treatment does not apply to the following options granted:

- (i) Those options granted to the eligible participants on or before 7 November 2002; and
- (ii) Those options granted to the eligible participants after 7 November 2002 had vested before 1 July 2005.

This change in accounting policy has been applied retrospectively but has no impact on the results of the Group for the prior periods in according to the transitional provisions.

2. 新增及經修訂香港財務報告準則之採納 (續)

(a) 金融工具 (續)

採納香港會計準則第32號及第39號已引致以下需在財務報表中呈列的金額變動：

	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
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(b) 以股份為基礎之付款

香港財務報告準則第2號「以股份為基礎之付款」的採納已對授予董事、僱員、其他合資格參與人士及香港中文大學（「中文大學」）之購股權的會計政策做更改。在此之前，購股權的授出並不會對收益表構成影響。自採納該準則後，授出購股權應於相關的歸屬期內予以攤銷並認列於收益表中作為費用支出。這會計政策之變動已作追溯應用。

然而，本集團已採用香港財務報告準則第2號過渡期暫行預備措施。在此措施下新會計處理方法不會適用於以下之購股權：

- (i) 該等於2002年11月7日或之前已授予合資格參與人士之購股權；和
- (ii) 該等於2002年11月7日之後授予合資格參與人士之購股權，且已於2005年7月1日前合法歸屬。

本集團已於前期各階段根據過渡期暫行預備措施追溯變更會計政策，惟並未對本集團各前期的業績構成影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

2. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) Share-based payment (continued)

The estimated effects of changes in the accounting policies described above on the results for the current and prior years are as follows:

		For the year ended 截至年度	
		2006 2006年	2005 2005年
		HK\$ 港元	HK\$ 港元
Increase in staff costs	員工成本增加	1,185,250	-
Increase in research and development expenditure	研究及開發支出增加	734,076	-
Increase in share option reserves	購股權儲備增加	1,919,326	-
Decrease in basic earnings per share	每股基本盈利減少	(0.51) cents	-

The Group has not applied the New HKFRSs that have been issued but not yet effective. The application of these New HKFRSs will not have material impact on the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with New HKFRSs issued by HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The preparation of financial statements in conformity with New HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

2. 新增及經修訂香港財務報告準則之採納 (續)

(b) 以股份為基礎之付款 (續)

估計因上述會計政策之改變對本年度及各前年度業績的影響如下：

本集團並沒有採納已頒佈但仍未生效之新訂香港財務報告準則。採納這些新訂香港財務報告準則對本集團之財務報表並未做成重大影響。

3. 主要會計政策

本財務報表乃根據由香港會計師公會所發出的新訂香港財務報告準則編製，並同時符合香港普遍採納之會計原則、香港公司條例的適用披露規定以及聯交所創業板證券上市規則的適用披露規定。

本財務報表是以歷史成本作為編製基準，並已就若干投資(以公平值記帳)進行重估和作出修訂。

編製符合新訂香港財務報告準則的財務報表，必須使用若干重要假設和估計，要求管理層於會計政策應用過程中作出判斷。凡牽涉關鍵性判決、假設及估計並對本財務報表有重大影響的範疇，已於財務報表附註4披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

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 relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

3. 主要會計政策(續)

於編製本財務報表時所應用的主要會計政策詳列如下：

(a) 綜合基準

本財務報表包括本公司及其附屬公司截至6月30日為止的財務報表。附屬公司乃本集團具有控制權的機構。控制權是指管治某機構的財務及經營政策的權力，從而於其業務取得利益。在評估本集團是否擁有控制權時，將會考慮潛在投票權(可隨時行使及轉換)是否存在和其影響力而釐定。

在附屬公司的控制權轉讓給本集團後，該附屬公司便於當天起完全綜合計算於本集團內。當失去控制權後，從當天起附屬公司便不再綜合計算在本集團內。

出售附屬公司的收益及虧損是指出售所得款項和本集團應佔該附屬公司的淨資產值與及和附屬公司有關的任何商譽或資本儲備(此等儲備並未在綜合收益表中支出或確認)及有關的累計外幣兌換儲備。

本集團內公司間之交易，結餘及未實現的交易收益均予對銷。除非該項交易有證據證明已轉讓資產出現減值，否則未實現虧損應予以對銷。附屬公司的會計政策已因應需要作出更改以確保與本集團所採納的政策一致。

於本公司資產負債表內，對附屬公司所作投資以成本減去減值損失撥備認列。而附屬公司之收益則於本公司以已收和應收股息入帳。

(b) 外幣交易

(i) 功能及呈列貨幣

本集團內各實體的財務報表內的項目均以該實體經營之主要經濟環境之通行貨幣(「功能貨幣」)計量。本綜合財務報表以港元呈列，而該貨幣為本公司的功能及呈列貨幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing 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 income statement.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Laboratory equipment	5 years
Leasehold improvements	5 years
Office equipment, furniture and fixtures	2½ – 5 years
Motor vehicles	3 – 5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

3. 主要會計政策 (續)

(b) 外幣交易 (續)

(ii) 於每實體之財務報表中之交易及結餘

外幣交易均按交易當日之匯率換算為功能貨幣入賬。以外幣為單位的貨幣性資產和負債以結算日的匯率認列。基於此換算政策所做成的損益賬項算入收益表中。

非貨幣項目(例如歸類為經損益賬按公平值入賬之金融工具的權益工具)的換算差額呈報為公平值盈虧的一部份。

(c) 物業、廠房及設備

物業、廠房及設備均以成本減去累計折舊再減去減值虧損入賬。

僅在與該項目相關之未來經濟效益有可能歸於本集團及能可靠地計算出該項目成本之情況下，其後之成本才會包括於資產賬面值或確認為獨立之資產(如適用)。所有其他維修及保養支出於其產生之期間內計入收益表。

物業、廠房及設備的折舊會以合適的折舊率來計算。使用的折舊率必須足以將其成本或重估金額減去殘餘值後於估計可用期間內以直線折舊法全部註銷。主要的可使用年期間如下：

實驗室設備	5年
裝修	5年
辦公室設備、傢具及 固定裝置	2½ – 5年
汽車	3 – 5年

在適當時，相關的資產殘餘值及可用期會於每一結算日重新審閱及調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

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

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

(e) Intangible assets

(i) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset is recognised only if all of the following conditions are met:

- An asset is created that can be identified;
- It is probable that the assets created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives of the underlying testing services which generally do not exceed twenty years. Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred.

(ii) Patents and licenses

Patents and licenses are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives of the relevant testing services for periods of 7 to 15 years.

3. 主要會計政策(續)

(c) 物業、廠房及設備(續)

在建工程是指在建造中的建築和有待安裝的廠房及機械，並以成本價減去減值損失入賬。在建工程相關資產使用時開始折舊。

出售物業、廠房及設備之損益是指其出售金額和賬面值的差異，並於收益表中認列。

(d) 經營租賃

凡由出租人擁有並保留重大比例之風險及回報之租賃項目均列作經營租賃。經營租賃所支出的款項(扣除出租金所取得之回報後)，經在收益表中以直線攤銷法在租賃期內攤銷。

(e) 無形資產

(i) 研究與開發支出

研究業務的支出於產生期間確認為費用項目。由內部資源產生的無形資產只有在達到下列條件才予以確認：

- 可識別資產的創造；
- 創造的可識別資產將來可能會產生經濟效益；
- 該資產的發展成本能可靠地予以計量

由內部資源產生的無形資產於初始時以成本計量並以直線法根據相關測試服務的估計可用期間(通常不會超逾20年)進行攤銷。如無由內部資源產生的無形資產可供確認則開發支出便於其產生期間內於收益表中扣除。

(ii) 專利權及特許權

專利權及特許權於初始時以購入價計量並根據相關測試服務的可用期分7至15年攤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost comprises purchase cost of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(g) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(i) Cash and cash equivalents

For the purpose of the cash flow statement, 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.

3. 主要會計政策 (續)

(f) 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，並包括購貨成本。可變現淨值指日常業務過程中的估計銷售價減出售所需的估計成本。

(g) 經損益賬按公平值入賬之金融資產

經損益賬按公平值入賬之金融資產包括：用作買賣之投資或於初始以公平值入賬於損益賬之投資，其後此等投資將以公平值入賬。而由於公平值改變而產生的損益則於收益表中入賬。

(h) 貿易及其他應收款項

貿易及其他應收款項乃初步按公平值確認，其後按攤銷成本以實際利息法扣除減值撥備計量。貿易及其他應收款之撥備乃在客觀憑證顯示本集團將不能根據應收賬項之原有限期收回到期款項時作出。撥備款項指資產之賬面值與按實際利率貼現之未來現金流量現值之差額，撥備之款項在收益表中確認。

當確認減值後而客觀事實使可回收的應收賬金額增加則減值損失可於其後期間撤消，但於撤消減值當日應收賬的賬面值不能超過未減值前的攤銷後成本。

(i) 現金及現金等值

為編製綜合現金流量表，現金及現金等值包括現金及活期存款，以及流動性極強的短期投資（該投資可以隨時轉化為已知價值的現金，並且其價值變動的風險不大）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

Interest income is recognised as it accrues using the effective interest method.

(k) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

3. 主要會計政策 (續)

(j) 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。

利息收入是以實際利率和應計法計算確認。

(k) 貿易及其他應付款項

貿易及其他應付款項於初始時，均以其公平值入賬。其後則以實際利率法計量攤銷後成本，除非折現後之效果並不明顯。在此情況下則以成本入賬。

(l) 股本工具

由本公司發行的股本工具以所得款項減去直接發行成本入賬。

(m) 僱員福利

(i) 僱員可享有假期之福利

僱員享有之年假及長期服務假期以應計法入賬。由於僱員提供服務所累積之年假及長期服務假所引致負債須作出評估並進行撥備。

僱員享有的病假及分娩假於放假時開始確認。

(ii) 退休計劃之責任

本集團向僱員享有的退休計劃作出供款。本集團及僱員各自作出的供款以僱員的基本薪金某百分比計算。而在收益中入賬的退休計劃成本為本集團所支付的供款。

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財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Share-based payments

The Group issues equity-settled share-based payments to certain grantees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The Group also provides grantees with the ability to purchase the Company's ordinary shares at a discount to the current market value. The Group records an expense, based on the fair value of the discount related to shares expected to vest (taking in account the post vesting transfer restrictions), on a straight-line basis over the vesting period.

(o) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策 (續)

(n) 以股份為基礎之付款

本集團一般向若干承讓人發行以股本清償的以股份為基礎之付款，並以授出當日的股本工具的公平值作計量(不包括非市場為本的歸屬條件)。於以股本清償的以股份為基礎之付款的授出日釐定其公平值，並以直線法於歸屬期內根據本集團估計最終將會歸屬之股份數目並為非市場為本的歸屬條件予以調整後攤銷。

本集團亦容許承讓人以當時的市價以折讓價購入本公司之普通股股份。本集團以相關並應作歸屬之股份的折讓公平值以直線法在歸屬期內攤銷(須把歸屬期後的轉讓限制計算在內)。

(o) 稅項

所得稅項包括本期應付稅項及遞延稅項。

本期應付稅項乃根據本年度的應課稅溢利計算。應課稅溢利有別於在收益表中呈列之溢利，因它並不包含在其他年度應課稅或扣稅的收入或支出，同時亦不包含那些永不需課稅之項目，以結算日已生效或實際生效的稅率計算。

遞延稅項是根據財務資料中資產的賬面值和負債的賬面值的差異認列。而用作計算應課稅項的相應基礎為資產負債法。所有應課稅暫列差額一般確認為遞延稅項負債，而在當應課溢利可能是以用來抵銷應扣稅之暫時差額時便可確認為遞延稅項資產。此等資產及負債倘若在一交易中由於初始確認(業務合併除外)其他資產及負債時並不影響應課稅溢利或會計溢利便不會被確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(p) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. 主要會計政策(續)

(o) 稅項(續)

計算遞延稅項的稅率是預期該稅率將應用於償還有關負債或實現有關資產之期間內，並根據於結算日已生效或實質上已生效的稅率來釐定，遞延稅率均在收益表中支出或收入。惟如其與直接於股本中支付或收入的項目相關時，則應從股本中支付或收入，在此情況下，遞延稅項亦在股本中處理。

遞延稅項資產及其負債在以下情況下可相互抵消：(一)在法律上可將本期稅項資產及本期稅項負債相互抵消；及(二)相關之所得稅經由同一稅務機構徵收時；及(三)本集團意欲以淨值方法處理本期稅項資產及負債時。

(p) 關連人士

一方被視為本集團之關連人士倘若：

- (i) 該一方直接或間接透過一間或多間中介公司；(一)控制本集團、被本集團控制、或與本集團共同受控制；(二)持有本集團權益會使其能對本集團施以重大影響；或(三)共同控制本集團；
- (ii) 該一方為聯營公司；
- (iii) 該一方為合資公司；
- (iv) 該一方為本集團或其控股公司之關鍵管理層成員；
- (v) 該一方為上述(i)或(iv)中個人成員之近親；
- (vi) 該一方為(iv)或(v)項所述之任何人士直接或間接控制、共同控制或可施行重大影響力之實體或享有重大投票權之實體；或
- (vii) 該一方為受僱後福利計劃團體，以本集團或本集團的關連人士為服務對象。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and 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.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, intangible assets, inventories and trade and other receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

(r) Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

3. 主要會計政策 (續)

(q) 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)的可分辨部份，而各分部所承受的風險及獲得的回報並不相同。

根據本集團內部財務報告，本集團確定主要的分部報告呈列形式為業務分部，而地區分部則為次要的分部報告呈列形式。

分部收益、支出、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。未分配成本主要為企業費用。分部資產主要包括物業、廠房及設備、無形資產、存貨及貿易及其他應收款項。分部負債包括經營負債但不包括如稅項負債等項目。

於釐定分部收入、支出、資產及負債時，集團間之結餘及集團間之交易並未以合併方法相互抵銷。惟當涉及之集團間結餘及交易發生於同一分部時，則以作合併對沖處理。

分部資本開支乃於年度內收購分部資產(包括有形及無形資產)所產生的成本總和，並預期該等資產將會使用超過一期間。

(r) 資產減值

具無限可用年期或還未可使用的無形資產每年審閱一次作減值準備，當有事件的發生或環境的改變顯示其賬面值可能無法回收時，便會重新審閱以作減值準備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of assets (continued)

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 asset is estimated in order to determine the extent of any impairment loss. 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, 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 immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 主要會計政策(續)

(r) 資產減值(續)

本集團的在每結算日審閱其有形資產及無形資產的賬面值，以釐定是否出現減值跡象。如果出現減值跡象，則須重新對資產的可回收數額作出估計以確定減值的情度。當不可能估計單一資產的可回收額時，本集團則對該單一資產所屬之現金產生單位評估其可回收金額。

資產的可回收數額為其公平值減銷售成本與使用價值兩者中的較高額。在評估使用價值時，預期未來現金流量會按可以反映當時市場對貨幣時間值及資產特定風險的評估的稅前貼現率，貼現至其現值。

如估計某一資產或現金生產單位之可回收金額低於其賬值時，則其賬面值便減低至可回收金額，減值損失均在收益表中立即確認，惟若其相關資產之賬面值為一重估值時，則所作的減值損失便認列為重估損失。

當減值損失於較後時間撤銷，則該資產或其現金產生單位便會增至重新評估後的可回收金額。惟所增加的賬面值不能高於該資產或現金產生單位前年度的減值前的賬面值。減值損失的撤銷均馬上在收益表中確認，惟若其相關資產以重估值入賬，則減值損失的撤銷便以重估升值作為認列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(t) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In the process of applying the Group's accounting policies described in notes 2 and 3 to the financial statements, management has made estimates and assumptions concerning the future. The estimates and assumptions that have significant impact on changes in value of carrying amounts of the most significant amounts of assets /liabilities include licences and patents and development costs.

Determining whether licences and patents and development costs are impaired requires an estimation of the recoverable amount through future commercial activity which requires the Group to estimate the future cash flows expected to arise from the developed services and products. Impairment losses may arise when actual cash flows are less than expected.

Impairment losses of licences and patents amounted to HK\$1,156,672 (2005: nil) and development costs amounted to HK\$2,001,725 (2005: nil) respectively have been charged to the consolidated income statement for the year ended 30 June 2006.

3. 主要會計政策 (續)

(s) 準備及或然負債

如果本集團須就已發生的事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠的估計時，則就該時間或數額不定的負債計提準備。如果貨幣時間值重大則按履行業務預計所需支出的現值計提準備。

如果流出經濟利益的可能性較低，無法對有關數額作出可靠的估計，則會將該義務披露為或然負債，但經濟利益外流的可能性極低則除外。如果有關責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露或然負債，除非經濟利益外流的可能性極低。

(t) 結算日後事項

於結算日後，一些能提供關於本集團於結算日時的狀況的額外資料的事件，或一些顯示企業延續的假設已不再合宜的事件均列作調整事件，同時在「財務報表」中披露。而一些重要的結算日後事項（但卻非調整事件）則在「財務報表」中予以披露。

4. 主要估計及判斷

在應用本集團如財務報表附錄2及3所述之會計政策過程中，管理層已為將來作出估計及假設，其中對最重大金額之資產及負債的賬面值有重大的改變的估計及判斷，包括特許權及專利權及開發成本等。

於釐定特許權及專利權及開發等成本應否作減值準備時須透過未來商業活動估計可回收金額。於估計可回收金額時須由本集團估計由於開發產品及服務所預期產生的未來現金流。當實際現金流比預期為低時便會做成減值損失。

於截至2006年6月30日止之年度內，特許權及專利權之減值損失為1,156,672港元（2005年：無），而開發成本之減值損失為2,001,725港元（2005年：無），並已從收益表中支出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose itself to different kinds of financial risk. The management has been monitoring these risk exposures to ensure appropriate measures are implemented on a timely and effective manner so as to mitigate or reduce such risks.

(a) Currency risk

The Group has assets and liabilities and transactions denominated in foreign currency and is exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

The Group's exposure to change in interest rates is mainly attributable to its bank balances. Bank balances expose the Group to cash flow interest-rate risk. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(c) Credit risk

The Group's maximum exposure to credit risk in the event of counterparties failure to perform their obligations as at 30 June 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

(d) Price risk

The Group's financial assets at fair value through profit or loss are measured at fair value at each balance sheet date. Therefore, the Group is exposed to debt security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

5. 財務風險管理

本集團所經營之業務會為其帶來不同的財務風險。管理層不斷監管此等風險承擔以確保能及時及有效地採取合適措施以減低風險。

(a) 外幣風險

本集團持有以外幣計值的資產及負責及交易而須承擔外幣風險。本集團現未有外幣對沖政策，但本集團仍會監管外幣兌換承擔並在需要時考慮為重大外幣承擔作出對沖。

(b) 利率風險

本集團因利率改變而承受的市場風險主要為銀行結餘，而銀行結餘會令本集團承擔現金流之利率風險。本集團現未有利率對沖政策，但管理層仍會監管利率承擔並在需要時考慮為重大利率承擔作出對沖。

(c) 信貸風險

在交易對手未能履行其責任的情況下，於2006年6月30日本集團於每一級別之已確認財務資產的最高承擔為此等資產於綜合報表所呈列之賬面值。本集團並無集中信貸風險，所承擔之風險分散於數位交易對手及客戶。

(d) 價格風險

本集團的經由損益賬按公平值入賬之金融資產以其於結算日之公平值計量。因此，本集團須承擔債券之價格風險。管理層以不同風險程度之投資組合管理此等承擔。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

6. TURNOVER

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

6. 營業額

本集團主要從事診斷測試服務及產品的銷售，並研究與開發關於癌症及若干其他疾病的診斷。在本年度本集團均在香港經營業務。

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Sales of diagnostic testing services and products	診斷測試服務及產品之銷售		
Related parties	關連人士	12,185	48,245
Third parties	第三方人士	1,356,219	1,085,052
		1,368,404	1,133,297

7. OTHER REVENUE AND GAINS

7. 其他收入及收益

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Other revenue	其他收入		
Interest income	利息收入	1,061,081	588,062
Handling charges received	已收取之手續費	12,650	8,400
Sundry income	雜項收入	643	217
		1,074,374	596,679
Gains	收益		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	108,000	-
		1,182,374	596,679

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

8. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

8. 除稅前虧損

除稅前虧損經扣除下列項目後列賬：

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Amortisation of intangible assets	無形資產攤銷	773,845	743,485
Less: Amounts capitalised as development costs	減：資本化為開發成本之金額	(314,088)	(292,277)
Amortisation included in other operating expenses	計入其他營運費用之攤銷	459,757	451,208
Auditors' remuneration	核數師酬金	175,000	150,000
Cost of inventories sold	出售存貨成本	108,372	77,008
Depreciation	折舊	679,082	371,961
Exchange losses	匯兌損失	8,171	8,159
Fair value loss of financial assets at fair value through profit or loss included in other operating expenses	已計入其他營運費用之經損益賬按公平值入賬之金融資產虧損	332,459	-
Impairment losses of intangible assets included in other operating expenses	已計入其他營運費用中之無形資產減值損失	3,158,397	-
Operating leases rental in respect of Office premises	經營租賃租金 辦公室	183,300	149,686
Director's quarter	董事房屋	816,000	821,400
Research and development expenditure other than amortisation, staff costs and share-based payment expenses	未包括攤銷、員工成本及以股份為基礎之付款之費用的研究與開發支出	52,444	395,540
Staff costs	員工成本		
Directors' emoluments	董事酬金	1,607,805	1,368,513
Other staff's retirement scheme contributions	其他員工之退休福利計劃供款	60,440	69,219
Other staff's salaries and wages	其他員工之薪金及工資	1,330,746	1,497,138
Other staff's share-based payment expenses	其他員工之以股份為基礎之付款費用	795,099	-
Other welfares	其他福利	18,277	47,876
		3,812,367	2,982,746
Unrealised holding loss of other investments included in other operating expenses	已計入其他營運費用之持有其他投資之未實現虧損	-	114,924
Write-off of intangible assets included in other operating expenses	已計入其他營運費用之無形資產撇賬	-	419,087
Write-off of property, plant and equipment included in other operating expenses	已計入其他營運費用之物業、廠房及設備撇賬	133,127	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

9. TAXATION

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits for the year.

The reconciliation between the Group's loss before taxation and the tax loss which is calculated based on the tax rate of 17.5% (2005: 17.5%) in Hong Kong is as follows:

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Loss before taxation	除稅前虧損	(9,570,460)	(5,590,673)
Tax calculated at the tax rate of 17.5%	按稅率17.5%計算的稅項	(1,674,830)	(978,368)
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	483,784	161,579
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	(185,690)	(102,899)
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	438,906	128,476
Tax effect of loss not recognised	未確認虧損之稅務影響	937,830	791,212
Taxation	稅項	-	-

9. 稅項

由於本集團於年度內並無應課稅溢利，故此毋須為香港所得稅作撥備。

本集團的除稅前虧損與根據香港稅率17.5% (2005年：17.5%) 計算的稅項損失的對賬表如下：

10. DIVIDENDS

No dividend has been paid or declared by the Company for the year (2005: Nil).

11. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company include a loss of HK\$22,946,295 (2005: HK\$305,945) which has been dealt with in the financial statements of the Company.

12. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the equity holders of the Company of HK\$9,570,460 (2005: HK\$5,590,673) and on the weighted average number of ordinary shares of 375,982,170 (2005: 345,897,501) in issue during the year.

The computation of diluted loss per share for the years ended 30 June 2005 and 2006 has not been presented because the assumed exercises of share options, which were outstanding during the years, had anti-dilutive effects on the basic loss per share.

10. 股息

在本年度內本公司並無宣派或支付股息(2005年：無)。

11. 本公司股東應佔虧損

本公司股東應佔綜合虧損包括已在本公司收益表中認列的22,946,295港元之虧損(2005: 305,945港元)。

12. 每股虧損

本年度之每股基本虧損乃根據本公司股東應佔虧損9,570,460港元(2005年：5,590,673港元)及已發行普通股加權平均股數375,982,170股(2005年：345,897,501股)計算。

截至2005及2006年6月30日止年度內，由於假設行使授出之購股權(而該年度內尚未行使)會對每股基本虧損有反攤薄作用，故並無呈列每股攤薄虧損的計算方法。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

13. DIRECTORS' EMOLUMENTS

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

Details of emoluments of individual executive, non-executive and independent non-executive directors are set out below:

13. 董事酬金

年內本集團並無支付任何董事作為其加入或當其加入時的獎勵或作為其退任的補償。年內亦無董事放棄任何酬金。

予個別執行、非執行及獨立非執行董事的酬金詳列如下：

		Directors' fees	Salaries, allowances and other benefits	Retirement scheme contributions	Share-based payments	2006 Total
		董事袍金	薪金、津貼及其他福利	退休計劃供款	以股份為基礎之付款	2006年合計
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
For the year ended 30 June 2006	截至2006年6月30日止年度					
Executive directors	執行董事					
Dr. Yeung Wah Hin, Alex (a)	楊華顯醫生 (a)	-	1,176,000	12,000	66,453	1,254,453
Mr. Cheng Yan Tak, Angus Ronald (b)	鄭恩德先生 (b)	-	-	-	33,226	33,226
Mr. Cho Kam Luk (a)	曹金陸先生 (a)	-	-	-	33,226	33,226
Ms. Yeung Tsui Mai Ling, Margaret (a)	楊徐美玲女士 (a)	-	-	-	33,226	33,226
		-	1,176,000	12,000	166,131	1,354,131
Non-executive directors	非執行董事					
Mr. Lau Kam Shan	劉金山先生	-	-	-	33,226	33,226
Independent non-executive directors	獨立非執行董事					
Dr. Ngan Man Wong, Matthew (c)	顏文煌醫生 (c)	-	-	-	43,355	43,355
Dr. Loh Kai Tsu, Kevin (d)	陸凱祖醫生 (d)	-	-	-	-	-
Mr. Chan Siu Wing, Raymond (b)	陳兆榮先生 (b)	28,242	-	1,412	57,129	86,783
Mr. Chan Po Kwong	陳寶光先生	-	-	-	90,310	90,310
Mr. Wong Kin Fung	黃建豐先生	-	-	-	-	-
		28,242	-	1,412	190,794	220,448
		28,242	1,176,000	13,412	390,151	1,607,805

The above emoluments include the value of share options granted to certain directors under the Company's share options scheme as estimated at the date of grant. Details are set out in note 31(a) to the financial statements.

上述酬金包括根據本公司購股權計劃授予若干董事的購股權價值，該購股權於授出當日估值。有關之購股權呈列於本財務報表附註31(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

13. DIRECTORS' EMOLUMENTS (continued)**13. 董事酬金(續)**

		Directors' fees 董事袍金 HK\$ 港元	Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$ 港元	Retirement scheme contributions 退休計劃供款 HK\$ 港元	Share-based payments 以股份為基礎之付款 HK\$ 港元	2005 Total 2005年 合計 HK\$ 港元
For the year ended 30 June 2005	截至2005年6月30日止年度					
Executive directors	執行董事					
Dr. Yeung Wah Hin, Alex (a)	楊華顯醫生 (a)	–	1,194,400	12,000	–	1,206,400
Mr. Cheng Yan Tak, Angus Ronald (b)	鄭恩德先生 (b)	–	156,774	5,339	–	162,113
Mr. Cho Kam Luk (a)	曹金陸先生 (a)	–	–	–	–	–
Ms. Yeung Tsui Mai Ling, Margaret (a)	楊徐美玲女士 (a)	–	–	–	–	–
		–	1,351,174	17,339	–	1,368,513
Non-executive directors	非執行董事					
Mr. Lau Kam Shan	劉金山先生	–	–	–	–	–
Independent non-executive directors	獨立非執行董事					
Professor Chung Sheung Chee, Sydney (e)	鍾尚志教授 (e)	–	–	–	–	–
Dr. Ngan Man Wong, Matthew (c)	顏文煌醫生 (c)	–	–	–	–	–
Dr. Loh Kai Tsu, Kevin (d)	陸凱祖醫生 (d)	–	–	–	–	–
Mr. Chan Siu Wing, Raymond (b)	陳兆榮先生 (b)	–	–	–	–	–
Mr. Chan Po Kwong	陳寶光先生	–	–	–	–	–
		–	–	–	–	–
		–	1,351,174	17,339	–	1,368,513

Notes:

附註:

- (a) Resigned on 2 August 2006
 (b) Resigned on 22 August 2006
 (c) Resigned on 22 March 2006
 (d) Resigned on 24 October 2005
 (e) Resigned on 2 July 2004

- (a) 於2006年8月2日退任
 (b) 於2006年8月22日退任
 (c) 於2006年3月22日退任
 (d) 於2005年10月24日退任
 (e) 於2004年7月2日退任

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財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

14. EMPLOYEES' EMOLUMENTS

The aggregate emoluments of the five highest paid individuals included one (2005: one) executive director of the Company, whose emoluments are included in note 13 above. The aggregate emoluments of the remaining four (2005: four) highest paid individuals are as follows:

		2006	2005
		2006年	2005年
		HK\$	HK\$
		港元	港元
Salaries and allowances	薪金及津貼	978,983	932,036
Retirement scheme contributions	退休計劃供款	43,725	43,540
Share-based payment expenses	以股份為基礎之付款費用	287,385	-
		1,310,093	975,576

The emoluments of the remaining four (2005: four) highest paid individuals were within the following bands:

		Number of individuals	
		僱員數目	
		2006	2005
		2006年	2005年
HK\$Nil – HK\$1,000,000	無 – 1,000,000港元	4	4

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

14. 僱員酬金

本公司五位最高酬金的酬金總數包括一位執行董事(2005年：一位)，其酬金列於前述之附錄13。其餘四位最高酬金之僱員(2005年：四位)的酬金總額如下：

		2006	2005
		2006年	2005年
		HK\$	HK\$
		港元	港元
Salaries and allowances	薪金及津貼	978,983	932,036
Retirement scheme contributions	退休計劃供款	43,725	43,540
Share-based payment expenses	以股份為基礎之付款費用	287,385	-
		1,310,093	975,576

其餘四位最高酬金之僱員(2005年：四位)屬於以下群組：

		Number of individuals	
		僱員數目	
		2006	2005
		2006年	2005年
HK\$Nil – HK\$1,000,000	無 – 1,000,000港元	4	4

年內本集團並無支付予該五名最高酬金僱員作為其加入或於其加入時的獎勵或作為其退任之補償。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

15. INTANGIBLE ASSETS
Group15. 無形資產
集團

		Development costs	Licences and patents	Total
		開發成本	特許權及專利權	合計
		HK\$	HK\$	HK\$
		港元	港元	港元
Cost	成本			
At 1 July 2004	於2004年7月1日	3,386,610	2,727,462	6,114,072
Additions	增添	292,277	228,759	521,036
Write-off	撇賬	(66,250)	(465,490)	(531,740)
At 30 June 2005 and 1 July 2005	於2005年6月30日及7月1日	3,612,637	2,490,731	6,103,368
Additions	增添	314,088	113,443	427,531
At 30 June 2006	於2006年6月30日	3,926,725	2,604,174	6,530,899
Accumulated amortisation and impairment losses	累計攤銷及減值損失			
At 1 July 2004	於2004年7月1日	1,085,000	836,422	1,921,422
Charge to consolidated income statement	於綜合收益表中扣除	420,000	31,208	451,208
Amount capitalised as development costs	開發成本資本化的金額	–	292,277	292,277
Provided for the year	年內撥備	420,000	323,485	743,485
Write-off	撇賬	–	(66,250)	(66,250)
At 30 June 2005 and 1 July 2005	於2005年6月30日及7月1日	1,505,000	1,093,657	2,598,657
Charge to consolidated income statement	於綜合收益表中扣除	420,000	39,757	459,757
Amount capitalised as development costs	開發成本資本化的金額	–	314,088	314,088
Provided for the year	年內撥備	420,000	353,845	773,845
Impairment losses	減值損失	2,001,725	1,156,672	3,158,397
At 30 June 2006	於2006年6月30日	3,926,725	2,604,174	6,530,899
Carrying amount	賬面金額			
At 30 June 2006	於2006年6月30日	–	–	–
At 30 June 2005	於2005年6月30日	2,107,637	1,397,074	3,504,711

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財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

15. INTANGIBLE ASSETS (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 of the Company (the "Directors") do not anticipate any income flow from future testing services, the relevant costs will be charged to the consolidated income statement in the year in which they are incurred.

Research costs are charged to consolidated income statement in the year 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 in which they are incurred. The development costs mainly comprised (i) consideration for the consultancy agreement paid/payable to the Chinese University and (ii) the amortisation of licences and patents in relation to the future testing services under development and capitalised as development costs.

The Group carried out reviews of the recoverable amount of its intangible assets in 2006, having regard to the market conditions of the Group's services. These assets are used in the Group's research and development segment. The review led to the recognition of impairment losses of HK\$2,001,725 for development costs and HK\$1,156,672 for licences and patents, which have been recognised in the income statement. The recoverable amount has been determined on the basis of their value in use. In the opinion of the management, no future cash inflow will be generated from the relevant assets. Impairment losses have been fully provided for the year ended 30 June 2006.

15. 無形資產(續)

特許權及專利權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。至於本公司董事(「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／應付中文大學的代價；及(ii)有關開發中未來測試服務的特許權及專利權的攤銷並資本化的開發成本。

本集團於2006年按其服務的市場狀況進行其可回收無形資產審閱。此等資產乃用於本集團的研究與開發業務。該審閱已導致開發成本之減值損失2,001,725港元及特許權及專利權之減值損失1,156,672港元。可回收金額已經根據使用價值來釐定。管理層認為相關資產將不會產生現金流入，同時減值損失已於截至2006年6月30日止之年度內全數作出撥備。

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財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

16. PROPERTY, PLANT AND EQUIPMENT
Group16. 物業、廠房及設備
集團

		Construction in progress	Laboratory equipment	Leasehold improvements	Office equipment, furniture and fixtures	Motor vehicles	Total
		在建工程	實驗室 設備	裝修	辦公室 設備、傢具 及固定裝置	汽車	合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Cost	成本						
At 1 July 2004	於2004年7月1日	-	1,037,650	269,492	607,778	94,206	2,009,126
Additions	增添	-	3,784	-	51,882	-	55,666
At 30 June 2005 and 1 July 2005	於2005年6月30日 及7月1日	-	1,041,434	269,492	659,660	94,206	2,064,792
Additions	增添	1,500,000	670,400	-	18,680	439,000	2,628,080
Disposal/Write-off	出售/撇賬	-	-	(269,492)	(385,897)	(94,206)	(749,595)
At 30 June 2006	於2006年6月30日	1,500,000	1,711,834	-	292,443	439,000	3,943,277
Accumulated depreciation and impairment losses	累計折舊及減值損失						
At 1 July 2004	於2004年7月1日	-	533,777	73,486	385,253	94,206	1,086,722
Charge for the year	年內費用	-	208,223	53,898	109,840	-	371,961
At 30 June 2005 and 1 July 2005	於2005年6月30日 及7月1日	-	742,000	127,384	495,093	94,206	1,458,683
Charge for the year	年內費用	-	400,674	53,898	136,710	87,800	679,082
Disposal/Write-off	出售/撇賬	-	-	(181,282)	(340,980)	(94,206)	(616,468)
At 30 June 2006	於2006年6月30日	-	1,142,674	-	290,823	87,800	1,521,297
Carrying amount	賬面金額						
At 30 June 2006	於2006年6月30日	1,500,000	569,160	-	1,620	351,200	2,421,980
At 30 June 2005	於2005年6月30日	-	299,434	142,108	164,567	-	606,109

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Construction in progress as at 30 June 2006 represents work in progress of designs and decoration in respect of a molecular testing laboratory workshop in a body-check centre which is still under construction.

16. 物業、廠房及設備(續)

於2006年6月30日之在建工程指還在興建中的一體檢中心內的分子測試實驗工作室中正在進行中的設計及裝修工程。

17. INTERESTS IN SUBSIDIARIES

Company

(a) Investments in subsidiaries

17. 於附屬公司的權益

公司

(a) 於附屬公司的投資

		2006	2005
		2006年	2005年
		HK\$	HK\$
		港元	港元
Unlisted shares, at cost	非上市股份，按成本	8	8
Share option granted to staff of a subsidiary	授予一附屬公司員工的購股權	795,099	-
		795,107	8

(b) Amounts due from subsidiaries

(b) 應收附屬公司款項

		2006	2005
		2006年	2005年
		HK\$	HK\$
		港元	港元
Amounts due from subsidiaries	應收附屬公司款項	22,758,514	16,923,249
Impairment losses	減值損失	(22,709,767)	(941,899)
		48,747	15,981,350

Amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The amounts due from subsidiaries as at 30 June 2005 amounted to HK\$15,981,350 has been reclassified from "Non-current assets" to "Current assets" on the balance sheet of the Company to provide a better presentation of the Company's financial statements.

附收附屬公司款項為無抵押、免息且無固定還款期。於2005年6月30日應收附屬公司款項為15,981,350港元並已重新於本公司資產負債表中從「非流動資產」歸類為「流動資產」作為本公司財務報表之更佳呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

17. INTERESTS IN SUBSIDIARIES (continued)

Company (continued)

(c) The following list contains the particulars of subsidiaries which affect the results, assets or liabilities of the Group. The class of shares held is ordinary shares. All of these are controlled subsidiaries as defined under note 3(a) to the financial statements and have been consolidated into the Group's financial statements.

17. 於附屬公司的權益(續)
公司(續)

(c) 下表詳列若干影響本集團業績、資產及負債的附屬公司資料。持有股份為普通股。根據財務報表附錄3(a)之定義，下列公司均為受控制之附屬公司並已合併在本集團之財務報表中。

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
Hong Kong Hepatitis Diagnostic Centre Limited (formerly known as Celltech Limited) 香港肝炎診斷中心 有限公司(前稱 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%	Diagnostic testing services relating to certain liver diseases 提供若干肝病之 診斷測試服務

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group and Company

Debt securities – unlisted	債券—非上市
Five-year treasury notes of the United States	五年期美國國庫票據
	7,398,530

Interest rate of the five-year treasury notes of the United States is 4% per annum. The fair value of the above securities is determined based on the market price provided by the relevant financial institution. The carrying value of the above financial assets is classified as held for trading.

19. OTHER INVESTMENTS

Group and Company

Other investments as at 30 June 2005 are set out below. Upon the application of HKAS 39 on 1 July 2005, other investments were reclassified as “Financial assets at fair value through profit or loss” as disclosed in note 18 to the financial statements.

Debt securities – unlisted	債券—非上市
Five-year treasury notes of the United States	五年期美國國庫票據
	7,730,989

18. 經損益賬按公平值入賬之金融資產

集團及公司

2006	2005
2006年	2005年
HK\$	HK\$
港元	港元

該五年期美國國庫票據之年利率為4%，其公平值按相關金融機構所提供的市場價格釐定。上述金融資產以其賬面值歸類為持作買賣。

19. 其他投資

集團及本公司

於2005年6月30日之其他投資列舉如下。如本財務報表附註18所披露，由於在2005年7月1日起採用香港會計準則第39號，其他投資已重新歸類為「經損益賬按公平值入賬之金融資產」。

2006	2005
2006年	2005年
HK\$	HK\$
港元	港元

-	7,730,989
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

20. INVENTORIES

Group

20. 存貨

集團

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Pharmaceutical supplies	醫藥供應品	44,846	33,514

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		Group 集團		Company 公司	
		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Trade receivables	貿易應收款項	144,829	130,548	-	-
Deposits	按金	330,335	548,817	325,235	296,959
Prepayments	預付款項	115,695	107,549	50,000	50,000
Other receivables	其他應收款項	21,709	14,982	12,753	12,757
		612,568	801,896	387,988	359,716

The Group allows its customers with an average credit period of 30 days. The aging analysis of trade receivables at the balance sheet date based on the invoice date, is as follows:

本集團授予顧客的平均賒賬期間為30天。按發票日期於結算日的貿易應收款項之賬齡分析如下：

		Group 集團	
		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
0 – 30 days	0至30天	104,883	85,933
31 – 60 days	31至60天	29,935	39,775
61 – 90 days	61至90天	9,281	4,140
> 90 days	超過90天	730	700
		144,829	130,548

In the opinion of the directors, the carrying value of the trade and other receivables at 30 June 2006 approximate to their fair value.

各董事認為，於2006年6月30日貿易及其他應收款項的賬面值約相當於其公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

22. CASH AND BANK BALANCES

22. 現金及銀行結餘

		Group		Company	
		集團	公司	集團	公司
		2006	2005	2006	2005
		2006年	2005年	2006年	2005年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Cash at bank and in hand	銀行結餘及手頭現金	1,192,719	8,693,121	824,445	8,624,466
Short-term bank deposits	短期銀行存款	16,846,088	16,169,598	16,846,088	16,169,598
		18,038,807	24,862,719	17,670,533	24,794,064

The effective interest rate on short-term bank deposits was 4.98 % (2005: 2.95%); these deposits will be mature within one month.

短期銀行存款之實際利率為4.98% (2005: 2.95%) 並於一個月內到期。

23. OTHER PAYABLES AND ACCRUED CHARGES

23. 其他應付款項及應計費用

		Group		Company	
		集團	公司	集團	公司
		2006	2005	2006	2005
		2006年	2005年	2006年	2005年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Other payables and accrued charges	其他應付款項及應計費用	652,709	545,984	241,045	330,892
Amount due to a related company	應付關連公司	226	618	-	-
		652,935	546,602	241,045	330,892

The amount due to related company is unsecured, interest free and repayable on demand.

應付關連公司之款項為無抵押、無須繳付利息，及有需要時歸還。

In the opinion of directors, the carrying value of other payables and accrued charges at 30 June 2006 approximate to their fair value.

各董事認為，於2006年6月30日之其他應付款及應計費用的賬面值約相當於其公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

24. DEFERRED TAXATION

Group

At the balance sheet date, the major components of the unprovided deferred taxation of the Group are as follows:

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
(Accelerated depreciation allowance)/ Excess of depreciation over tax allowance	(加速折舊抵免) / 折舊除以 稅項抵免逾額	(74,924)	11,995
Temporary difference relating to the capitalisation of licences, patents and development costs	與特許權、專利權及開發 成本資本化有關 的暫時差額	-	(525,825)
Future benefits of tax losses	稅項虧損之未來利益	4,083,602	3,145,772
		4,008,678	2,631,942

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.

24. 遞延稅項

集團

本集團於結賬日的未撥備遞延稅項主要部分如下：

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
(Accelerated depreciation allowance)/ Excess of depreciation over tax allowance	(加速折舊抵免) / 折舊除以 稅項抵免逾額	(74,924)	11,995
Temporary difference relating to the capitalisation of licences, patents and development costs	與特許權、專利權及開發 成本資本化有關 的暫時差額	-	(525,825)
Future benefits of tax losses	稅項虧損之未來利益	4,083,602	3,145,772
		4,008,678	2,631,942

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 2006 截至2006年6月30日止年度

25. SHARE CAPITAL

25. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$ 港元
Ordinary shares of HK\$0.01 each Authorised At 1 July 2004, 30 June 2005 and 2006	每股面值0.01港元的普通股股份 法定 於2004年7月1日，2005年及 2006年6月30日	1,000,000,000	10,000,000
Issued and fully paid At 1 July 2004	已發行及繳足 於2004年7月1日	327,800,000	3,278,000
First Post IPO Conversion of Convertible Notes (note a)	首次公開發售後第一次 轉換可換股票據(附註a)	34,400,000	344,000
Second Post IPO Conversion of Convertible Notes (note b)	首次公開發售後第二次 轉換可換股票據(附註b)	25,800,000	258,000
Shares repurchase (note c)	股份購回(附註c)	(4,924,000)	(49,240)
At 30 June 2005 and 1 July 2005	於2005年6月30日及7月1日	383,076,000	3,830,760
Shares repurchase (note d)	股份購回(附註d)	(9,484,000)	(94,840)
At 30 June 2006	於2006年6月30日	373,592,000	3,735,920

Notes:

附註:

(a) On 14, 16 and 27 December 2002, the Company issued non-interest bearing convertible notes ("Convertible Notes") totalling HK\$21,500,000. Conversion price was fixed at HK\$0.25 which represents 50% of the price for placing and public offer of the Company. The initial conversion of 30% of the aggregate nominal value of the Convertible Notes (amounted to HK\$6,450,000) 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 share on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Pre IPO Conversion"). Second conversion of 40% of the aggregate nominal value of the Convertible Notes (amounted to HK\$8,600,000) into 34,400,000 ordinary shares of HK\$0.01 each of the Company took place on 18 December 2004, the date six months after listing date of the Company's shares on GEM (the "First Post IPO Conversion").

(a) 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(「可換股票據」)，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%。首次換股已於2004年6月17日(即緊接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」)上市日期前)進行，涉及將票據總面值的30%(達6,450,000港元)轉換為25,800,000股每股面值0.01港元的本公司普通股股份(「首次公開發售前轉換」)。第二次換股已於2004年12月18日，即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%(達8,600,000港元)轉換為34,400,000股每股面值0.01港元的本公司普通股股份(「首次公開發售後第一次轉換」)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

25. SHARE CAPITAL (continued)

Notes: (continued)

(b) The final conversion of the remaining 30% of the aggregate nominal value of the Convertible Notes (amounted to HK\$6,450,000) in to 25,800,000 ordinary shares of HK\$0.01 each of the Company took place on 18 June 2005, the date twelve months after the listing date of the Company's shares on GEM (the "Second Post IPO Conversion").

(c) During the year ended 30 June 2005, the Company repurchased its own shares on GEM as follows:

Month of repurchase 購回月份	Number of shares repurchased 購回股份數目	Price per share 每股價格		Aggregate consideration paid 所支付之總代價 HK\$ 港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
February 2005	2005年2月	832,000	0.240	0.238	200,465
March 2005	2005年3月	3,000,000	0.241	0.228	721,581
June 2005	2005年6月	1,092,000	0.220	0.219	241,358
Total	合計	4,924,000			1,163,404

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the par value of these shares which amounted to HK\$49,240. An aggregate amount of HK\$1,114,164 representing to the premium portion and brokerage expenses payable on the repurchases was charged against the share premium account.

(d) During the year ended 30 June 2006, the Company repurchased its own shares on GEM as follows:

Month of repurchase 購回月份	Number of shares repurchased 購回股份數目	Price per share 每股價格		Aggregate consideration paid 所支付之總代價 HK\$ 港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
July 2005	2005年7月份	3,500,000	0.207	0.178	655,796
November 2005	2005年11月份	5,984,000	0.145	0.126	822,610
Total	合計	9,484,000			1,478,406

25. 股本(續)

附註：(續)

(b) 最後一次換股已於2005年6月18日，即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%（達6,450,000港元）轉換為25,800,000股每股面值0.01港元的本公司普通股股份（「首次公開發售後第二次轉換」）。

(c) 於截至2005年6月30日止之年度內，本公司於創業板購回其股份之詳情如下：

上述股份在購回時已註銷，據此，本公司之已發行股本已按此等股份之票面值減少49,240港元。一筆相等於在購回股份時之溢價部份及應付經紀開支之總額1,114,164港元已在股份溢價賬中對銷。

(d) 於截至2006年6月30日止之年度內，本公司在創業板購回其股份之詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

25. SHARE CAPITAL (continued)

Notes: (continued)

(d) (continued)

The above shares were cancelled upon repurchases and accordingly the issued share capital of the Company was reduced by the par value of these shares which amounted to HK\$94,840. An aggregate amount of HK\$1,383,566 representing to the premium portion and brokerage expenses payable on the repurchases was charged against the share premium account.

26. RESERVES

Group

The Group's reserves and the movements therein are presented in the consolidated statement of changes in equity on page 48.

Company

25. 股本(續)

附註：(續)

(d) (續)

上述股份在購回時已註銷，據此，本公司之已發行股本已按此等股份之票面值減少94,840港元。一筆相等於在購回股份時之溢價部份及應付經紀開支之總額1,383,566港元已在股份溢價賬中對銷。

26. 儲備集團

年度內本集團的儲備款額及當中的變動已載列於第48頁的綜合權益變動報表內。

公司

		Share premium 股份 溢價 HK\$ 港元	Share option reserves 購股權 儲備 HK\$ 港元	Accumulated losses 累計 虧損 HK\$ 港元	Total 合計 HK\$ 港元
At 1 July 2004	於2004年7月1日結餘	33,294,368	-	(1,587,784)	31,706,584
First Post IPO Conversion of Convertible Notes	首次公開發售後第一次 轉換可換股票據	8,256,000	-	-	8,256,000
Second Post IPO Conversion of Convertible Notes	首次公開發售後第二次 轉換可換股票據	6,192,000	-	-	6,192,000
Shares repurchase	股份購回	(1,114,164)	-	-	(1,114,164)
Loss for the year	本年度虧損	-	-	(305,945)	(305,945)
At 30 June 2005 and 1 July 2005	於2005年6月30日 及7月1日結餘	46,628,204	-	(1,893,729)	44,734,475
Shares repurchase	股份購回	(1,383,566)	-	-	(1,383,566)
Recognition of share-based payments	以股份為基礎之付款 的確認	-	1,919,326	-	1,919,326
Loss for the year	本年度虧損	-	-	(22,946,295)	(22,946,295)
At 30 June 2006	於2006年6月30日結餘	45,244,638	1,919,326	(24,840,024)	22,323,940

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

26. RESERVES (continued)**Company (continued)**

Nature and purpose of reserves

(i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they all due in the ordinary course of business.

(ii) Share option reserves

The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain directors, employees, other eligible participants and Chinese University as set out in note 31.

27. RELATED PARTY TRANSACTIONS AND BALANCES

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

Nature of transactions 交易性質	Notes 附註	2006	2005
		2006年 HK\$ 港元	2005年 HK\$ 港元
Spring Biotech Limited Sales of diagnostic testing services	Spring Biotech Limited 銷售診斷測試服務 a	12,185	48,245
Wellchamp Capital Limited Net rental and utility charges reimbursed	Wellchamp Capital Limited 收取的租金收入及水電費淨額 b	365,685	331,060

26. 儲備(續)**公司(續)**

儲備的性質及目的

(i) 股份溢價

根據開曼群島公司法(經修訂), 股份溢價內的資金可供分派予各股東, 惟於緊接建議分派股息當天後本公司有能力在日常業務過程中歸還到期之債務。

(ii) 購股權儲備

如於附錄31所呈列本公司具有一購股權計劃, 遵照該計劃認購本公司股份的購股權已授予若干董事、僱員, 其他合資格參與人士及中文大學。

27. 關連人士交易及結餘

本集團於年內與關連人士有以下交易:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

27. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Notes:

- (a) Sales of diagnostic testing services were made to Spring Biotech Limited, a shareholder of the Company. The Group had trade receivables of HK\$nil and HK\$1,185 due from Spring Biotech Limited as at 30 June 2006 and 2005 respectively. Mr. Cho Kam Luk, an executive Director (resigned on 2 August 2006), was interested in the transactions as a beneficial shareholder of Spring Biotech Limited. The maximum outstanding balance for the year ended 30 June 2006 and 2005 was HK\$2,765 and HK\$81,750 respectively.
- (b) Pursuant to sub-lease agreements dated 29 August 2003 and 26 July 2004, the Group sub-leased part of its office premises to Wellchamp Capital Limited ("Wellchamp") for the period from 26 May 2003 to 12 February 2005 at a monthly rental of HK\$25,000. A renewal agreement was entered into by Company with Wellchamp on 25 April 2005 to extend sub-leasing period to 12 February 2007 at a monthly rental of HK\$29,500 (other terms remained the same). A net amount of HK\$365,685 and HK\$331,060 was paid by Wellchamp to the Group as rental and utility charges during the year ended 30 June 2006 and 2005 respectively. Mr. Cheng Yan Tak, Angus Ronald, an executive Director (resigned on 22 August 2006), is interested in the transactions as a shareholder of Wellchamp. The Group had other payable of HK\$226 and HK\$618 due to Wellchamp as at 30 June 2006 and 2005 respectively.
- (c) The remuneration of key management personnel during the year was as follows:

27. 關連人士交易及結餘 (續)

附註：

- (a) 此項交易指向本公司的股東 Spring Biotech Limited 銷售診斷測試服務。於2006年及2005年6月30日，本集團應收 Spring Biotech Limited 的貿易賬款分別為無及1,185港元。執行董事曹金陸先生（於2006年8月2日退任）為 Spring Biotech Limited 的實益股東，於該交易持有權益。截至2006年及2005年6月30日止年度的未償還最高結餘分別為2,765港元及81,750港元。
- (b) 根據於2003年8月29日及2004年7月26日訂立的分租協議，本集團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2005年2月12日止，月租25,000港元。本公司與 Wellchamp 於2005年4月25日訂立重續協議，以將分租期限延長至2007年2月12日（其他條款維持不變），月租29,500港元。截至2006年及2005年6月30日止年度，Wellchamp 向本集團支付的租金及水電費淨額分別為365,685港元及331,060港元。鄭恩德先生（於2006年8月22日退任）為 Wellchamp 的執行董事兼股東，於該等交易持有權益。本集團於2006年及2005年6月30日有應付 Wellchamp 的其他款項分別為226港元及618港元。
- (c) 於本年度內主要管理人員之酬金如下：

		2006	2005
		2006年	2005年
		HK\$	HK\$
		港元	港元
Short-term benefit	短期福利	1,217,654	1,368,513
Share-based payment expenses	以股份為基礎之付款費用	390,151	-
		1,607,805	1,368,513

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28. OPERATING LEASES COMMITMENTS

- (a) At the balance sheet dates, the Group and the Company had the following outstanding commitments under non-cancellable operating leases in respect of director's quarter and office premises as follows:

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Within one year	一年內	252,600	1,260,000
In the second to fifth years inclusive	第二年開始至第五年止(包括首尾兩天)	-	458,457
		252,600	1,718,457

- (b) At the balance sheet dates, the Group and the Company had total future minimum sub-lease payments expected to be received under non-cancellable sub-leases as follows:

		2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
Within one year	一年內	-	354,000
In the second to fifth years inclusive	第二年開始至第五年止(包括首尾兩天)	-	219,143
		-	573,143

28. 經營租約承擔

- (a) 於各結算日，本集團及本公司根據不可撤銷的董事房屋及辦公室物業之經營租約有下列未償還承擔：

- (b) 於各結算日，本集團及本公司根據不可撤銷分租租約而預期將可收取的未來最低分租款項總額如下：

29. CAPITAL COMMITMENTS

Property, plant and equipment	物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	-	260,014

As at 30 June 2006, the Group and the Company had no significant capital commitment.

29. 資本承擔

	2006 2006年 HK\$ 港元	2005 2005年 HK\$ 港元
	-	260,014

於2006年6月30日本集團及本公司並無重大資本承擔。

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For the year ended 30 June 2006 截至2006年6月30日止年度

30. RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% or relevant payroll costs to the scheme, which contribution is matched by employees.

The total cost charged to consolidated income statement of HK\$73,853 (2005: HK\$86,558) represents contributions payable to the scheme by the Group during the year.

31. SHARE OPTIONS

(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 employees, Directors, advisors, consultants, 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 have 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.

30. 退休計劃

本集團為合資格員工提供一強制性公積金計劃。該計劃的資產與本集團的資產分開持有，其資金由受託人全權控制。本集團向該計劃的供款為相關薪金成本的5%，同時僱員須以相等金額供款。

年內本集團已支付73,853港元(2005年：86,558港元)作為對該計劃的供款，並已在綜合收益表中全數扣除。

31. 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」)可酌情邀請董事會全權酌情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限隨時行使。購股權期限乃由董事會全權酌情釐定的期限，並由董事會通知各承授人購股權可於該期限行使，該期限指於授出購股權當日後起計不得超過10年屆滿。

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For the year ended 30 June 2006 截至2006年6月30日止年度

31. SHARE OPTIONS (continued)

(a) (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 10% of the issued share capital of the Company as at the listing date of the Company on GEM (the "Scheme Mandate Limit"). The Company may renew the Scheme Mandate Limit at any time subject to prior shareholders of the Company's approval.

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.

Share options do not confer rights on the holder to dividends or to vote at the shareholders' meeting.

31. 購股權 (續)

(a) (續)

認購價將由本公司董事會全權酌情釐定，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但尚未行使的購股權倘獲行使而可能發行的股份總數為本公司於創業板之上市日期的已發行股本的10%(計劃授權限額)。如取得本公司股東的預先通過，本公司可於任何時間延續計劃授權限額。

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。

購股權並不賦予持有人享有股息及於股東大會上投票之權力。

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For the year ended 30 June 2006 截至2006年6月30日止年度

31. SHARE OPTIONS (continued)

(a) (continued)

Details of the movements in share options granted under the Share Option Scheme during the year ended 30 June 2006 are set out as follows:

31. 購股權 (續)

(a) (續)

於截至2006年6月30日止年度按購股權計劃已授出之購股權變動詳情如下：

Date of grant	Exercisable period	Exercise price per share	Number of underlying shares in respect of which share options were granted			
			Outstanding at 01/07/2005	Granted	Cancelled/ Lapsed	Outstanding at 30/06/2006
授出日期	行使期限	每股行使價 HK\$ 港元	於2005年 7月1日尚未行使	已授出	已行使/ 已註銷/ 已失效	於2006年6月 30日尚未行使
Directors	董事					
20/06/2005	20/06/2005 – 19/06/2008	0.225	6,225,266	–	–	6,225,266
20/06/2005	20/06/2005 – 19/06/2015	0.225	3,999,999	–	–	3,999,999
19/06/2006	19/06/2006 – 18/06/2009	0.105	–	3,000,000	–	3,000,000
19/06/2006	19/06/2006 – 18/06/2016	0.105	–	2,003,835	–	2,003,835
Employees	僱員					
26/06/2006	26/06/2006 – 25/06/2016	0.116	–	4,700,000	–	4,700,000
Other eligible participants	其他合資格參與人士					
26/06/2006	26/06/2006 – 25/06/2016	0.116	–	3,600,000	–	3,600,000
Total	合計		10,225,265	13,303,835	–	23,529,100
Weighted average exercise price (HK\$)	加權平均行使價 (港元)		0.2250	0.112	–	0.1610

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For the year ended 30 June 2006 截至2006年6月30日止年度

31. SHARE OPTIONS (continued)

(a) (continued)

Details of the movements in share options granted under the Share Option Scheme during the year ended 30 June 2005 are set out as follows:

Date of grant	Exercisable period	Exercise price per share	Number of underlying shares in respect of which share options were granted			
			Outstanding at 01/07/2004	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 30/06/2005
授出日期	行使期限	每股行使價 HK\$ 港元	於2004年 7月1日尚未行使	已授出	已行使/ 已註銷/ 已失效	於2005年6月 30日尚未行使
Directors	董事					
20/06/2005	20/06/2005 – 19/06/2008	0.225	–	6,225,266	–	6,225,266
20/06/2005	20/06/2005 – 19/06/2015	0.225	–	3,999,999	–	3,999,999
Total	合計		–	10,225,265	–	10,225,265
Weighted average exercise price (HK\$)	加權平均行使價(港元)		–	0.2250	–	0.2250

The options outstanding at the end of the year have a weighted average remaining contractual life of approximately 6.82 years (2005: approximately 5.74 years).

Total consideration received during the year ended 30 June 2006 from directors, employees and other eligible participants for accepting the options granted amounted to HK\$17.

31. 購股權 (續)

(a) (續)

於截至2005年6月30日止年度按購股權計劃已授出之購股權變動詳情如下：

於本年度終尚未行使之購股權之加權平均尚餘有效期約為6.82年(2005年：約5.74年)。

於2006年6月30日止年度內，從董事、僱員及其他合資格參與者收到因接受購股權之授予的金額為17港元。

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For the year ended 30 June 2006 截至2006年6月30日止年度

31. SHARE OPTIONS (continued)

(b) Under an agreement entered into between the Chinese University and the Company on 8 August 2002 relating to the grant of a right of first refusal to the Company by the Chinese University in respect of certain technology and inventions, 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 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 or such person as the Chinese University 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 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.

Details of the movements in share options granted to Chinese University during the year ended 30 June 2006 are set out as follows:

31. 購股權 (續)

(b) 根據中文大學與本公司於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」),本公司將享有獲中文大學授予須支付專利權費的獨家特許權的優先購買權,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。

作為交換,本公司同意授予中文大學或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4年期限內認購股份或支付最高達金額4,600,000港元的現金。該等購股權將每次相隔十二個月授予中文大學。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。

於截至2006年6月30日止年度已授出予中文大學之購股權變動詳情如下:

Date of grant	Exercisable period	Exercise price per share	Number of underlying shares in respect of which share options were granted			
			Outstanding at 01/07/2005	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 30/06/2006
授出日期	行使期限	每股行使價 HK\$ 港元	於2005年 7月1日尚未行使	已授出	已行使/ 已註銷/ 已失效	於2006年6月 30日尚未行使
28/06/2005	28/12/2005 – 27/06/2010	0.223	4,484,305	-	-	4,484,305
26/06/2006	26/12/2006 – 25/06/2011	0.116	-	9,482,758	-	9,482,758
Total	合計		4,484,305	9,482,758	-	13,967,063
Weighted average exercise price (HK\$)	加權平均行使價(港元)		0.2230	0.116	-	0.1504

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31. SHARE OPTIONS (continued)

(b) (continued)

Details of the movements in share options granted to Chinese University during the year ended 30 June 2005 are set out as follows:

31. 購股權 (續)

(b) (續)

於截至2005年6月30日止年度已授出予中文大學之購股權變動詳情如下：

Date of grant	Exercisable period	Exercise price per share	Number of underlying shares in respect of which share options were granted			
			Outstanding at 01/07/2004	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 30/06/2005
授出日期	行使期限	每股行使價 HK\$ 港元	於2004年 7月1日尚未行使	已授出	已行使/ 已註銷/ 已失效	於2005年6月 30日尚未行使
28/06/2005	28/12/2005 – 27/06/2010	0.223	–	4,484,305	–	4,484,305
Weighted average exercise price (HK\$)	加權平均行使價(港元)		–	0.2230	–	0.2230

The options outstanding at the end of the year have a weighted average remaining contractual life of approximately 4.18 years (2005: approximately 4.5 years).

As disclosed in note 2(b) to the financial statements, for share options granted and vested before 1 July 2005 did not result in a charge to the income statement. When the grantees chose to exercise the options, the nominal amounts of share capital and share premium were credited only to the extent of the option's exercise price receivable.

The fair value of share options of the 5,003,835 shares granted to directors, 4,700,000 shares granted to employees, 3,600,000 shares granted to other eligible participants and 9,482,758 shares granted to Chinese University during the year ended 30 June 2006 amounted to approximately HK\$390,000, HK\$450,000, HK\$345,000 and HK\$734,000 respectively. An amount of approximately HK\$1,919,000 (representing the aggregate fair values of all share options granted during the year ended 30 June 2006) was credited to share option reserves.

於本年度終未行使之購股權之加權平均尚餘有效期約為4.18年(2005年:約4.5年)。

如本財務報表附註2(b)所披露,該等於2005年7月1日前授出及歸屬之購股權並未從收益表中支付。當承讓人選擇行使購股權時,記入股本及股份溢價面值貸方的金額不能超逾該等購股權之應收行使價。

於截至2006年6月30日止年度,授予各董事之5,003,835股購股權,授予僱員之4,700,000股購股權、授予其他合資格參與者之3,600,000股購股權及授予中文大學之9,482,758股購股權之公平值分別順序約為390,000港元、450,000港元、345,000港元及734,000港元。約1,919,000港元之金額(即於截至2006年6月30日止年度內所有已授出購股權之公平值之總和)已記入購股權儲備之貸方。

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31. SHARE OPTIONS (continued)

(b) (continued)

The fair values of share options granted were determined using the Black-Scholes valuation model. The significant inputs into the model were as follows:

31. 購股權 (續)

(b) (續)

授出購股權的公平值以畢蘇期權定價模式來釐定。該模式的主要輸入數字為：

		Share options grant date 購股權授出日期	
		19/06/2006 2006年6月19日	26/06/2006 2006年6月26日
Share price at the grant date (HK\$)	於授出日的股價(港元)	0.105	0.115
Exercise price (HK\$)	行使價(港元)	0.105	0.116
Expected volatility based on historical volatility of share prices (%)	根據股價的歷史波幅推算的預期波幅(%)	98.41	98.41
Expected annual dividend yield, based on historical dividend (%)	根據歷史股息推算的預期年股息率(%)	0	0
Weighted average of expected life of options (years)	購股權之預期加權平均期限(年)	5.8	5.5
Hong Kong Exchange Fund Notes rate for corresponding estimated expected life indicated at the date of grant (%)	於授出日相當於估計預期期限之香港外匯基金票據指示率(%)	4.81 – 4.92	4.62 – 4.83

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 537 days. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

預期波幅以計算過去537日本公司股份價格的歷史波幅來釐定。根據管理層的最佳估計，該模式所採用之預期期限經已作出調整以反映不能轉讓、行使限制及行為因素等影響。

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32. STATEMENT OF OPERATIONS BY SEGMENTS

Segment information is provided as follows:

Group

Business activities	Principal activities
Sales of diagnostic testing services	The use of blood test and Fibroscan test in the diagnosis of cancerous and certain liver and other diseases.
Research and development	Research and development relating to diagnosis of cancer and certain other illnesses.

(a) By business activities

Results

		Sales of diagnosis testing services		Research and development		Total	
		2006	2005	2006	2005	2006	2005
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
REVENUE	收入						
External sales	外部銷售	1,368,404	1,133,297	-	-	1,368,404	1,133,297
CONTRIBUTION TO LOSS FROM OPERATIONS	來自營運之虧損貢獻	(5,914,161)	(3,618,822)	(4,384,921)	(2,444,989)	(10,299,082)	(6,063,811)
Interest income	利息收入					1,061,081	588,062
Fair value loss of financial assets at fair value through profit or loss	經損益賬按公平值入賬之金融資產					(332,459)	-
Unrealised holding loss of other investments	持有其他投資之未實現虧損					-	(114,924)
Taxation	稅項					-	-
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股東應佔虧損					(9,570,460)	(5,590,673)

32. 按分部陳述業務 分部資料如下：

集團

業務活動	主要業務
診斷測試服務之銷售	使用驗血及肝纖維化掃描測試以診斷癌症疾病及若干肝臟及其他疾病。
研究與開發	有關診斷癌症及若干其他疾病的研究與開發工作。

(a) 按業務活動分類

業績

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

32. STATEMENT OF OPERATIONS BY SEGMENTS

(continued)

Group (continued)

(a) By business activities (continued)

Assets and liabilities

		Sales of diagnosis testing services		Research and development		Total	
		診斷		研究與開發		合計	
		2006	2005	2006	2005	2006	2005
		2006年	2005年	2006年	2005年	2006年	2005年
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
ASSETS	資產						
Segment assets	分部資產	20,834,321	13,486,411	283,880	16,322,538	21,118,201	29,808,949
Unallocated assets	未分配資產					7,398,530	7,730,989
						28,516,731	37,539,938
LIABILITIES	負債						
Segment liabilities	分部負債	633,695	358,842	19,240	187,760	652,935	546,602

Other information

其他資料

		Sales of diagnosis testing services		Research and development		Total	
		診斷		研究與開發		合計	
		2006	2005	2006	2005	2006	2005
		2006年	2005年	2006年	2005年	2006年	2005年
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
Capital expenditure	資本支出	2,655,016	120,021	86,507	164,404	2,741,523	284,425
Depreciation and amortisation	折舊及攤銷	1,138,839	823,169	-	-	1,138,839	823,169
Impairment losses of intangible assets	無形資產之減值損失	-	-	3,158,397	-	3,158,397	-
Write-off of intangible assets	無形資產撇賬	-	-	-	419,087	-	419,087
Fair value loss of financial assets at fair value through profit or loss – unallocated	經損益賬按公平值入賬之金融資產—未分配	-	-	-	-	332,459	-
Unrealised holding loss of other investments – unallocated	持有其他投資之未實現虧損—未分配	-	-	-	-	-	114,924

(b) By geographical location

The revenue and results, assets and liabilities of the Group for the years ended 30 June 2005 and 2006 are derived wholly from customers located in one geographical market, namely Hong Kong.

(b) 按地區分類

本集團於截至2005年及2006年6月30日止兩年度的收入及業績、資產與負債全部均源自單一地區市場的客戶，即香港。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2006 截至2006年6月30日止年度

33. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 30 June 2006, the Company had disposed of its investment in the five-year treasury notes of the United States for a consideration of approximately HK\$7,524,000.

Save as disclosed above, no material significant events took place subsequent to 30 June 2006.

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as the result of the changes in accounting policies. In addition, comparative figures of amounts due from subsidiaries have also been reclassified to conform with the current year's presentation. The directors consider that these changes provide a more appropriate presentation of the state of affairs of the Company. Further details are disclosed in notes 2 and 17 to the financial statements.

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 21 September 2006.

33. 結算日後事宜

於2006年6月30日後本公司已出售其五年期美國國庫票據，作價約為7,524,000港元。

除上文所披露外，於2006年6月30日後並無重大結算日後事宜。

34. 比較數據

由於會計政策的改變若干比較數據已重新分類。此外，應收附屬公司款項之比較數據亦已重新分類以符合本年度之呈列方式。各董事認為此等改變更能合適地顯示本公司的業務狀況。進一步的詳情已於本財務報表附註2及17披露。

35. 核准財務報表

本財務報表已於2006年9月21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 five financial years is set out below:

本集團於過去五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				
		2006	2005	2004	2003	2002
		2006年	2005年	2004年	2003年	2002年
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
RESULTS	業績					
Turnover	營業額	1,368,404	1,133,297	1,741,605	1,339,250	525,545
Loss for the year and attribute to equity holder of the Company	本公司股東應佔及年度虧損	(9,570,460)	(5,590,673)	(4,234,304)	(4,721,473)	(3,065,794)
ASSETS AND LIABILITIES	資產與負債					
Total assets	總資產	28,516,731	37,539,938	44,973,281	31,537,078	7,904,547
Total liabilities	總負債	652,935	546,602	16,275,868	27,440,569	7,086,665
Net assets	資產淨值	27,863,796	36,993,336	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 years ended 30 June 2004, 2005 and 2006 presented above have been extracted from the published audited financial statements.

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、2005年及2006年6月30日止各年度的業績及資產與負債乃摘錄自己公佈經審核的財務報表。



PLASMAGENE



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