

PROSPECTS

To cope with the New Economy, the Group has formulated its new direction to migrate into high-tech business, especially in the areas of software development, hardware trading and computer system support.

The Board believes that the prospects of SWIL is promising and a high growth rates in both of the turnover and profit of SWIL are expected in coming few years. Hence, the Board is of the opinion that, especially with regard to its immediate contribution, the acquisition of SWIL will improve the results of the Group and hence the returns to shareholders of the Group.

On the other hand, INNOMAXX will continue to act as the investment vehicle of the Group in biotechnology business.

We believe that the new businesses will bring improved returns to shareholders and will contribute long-term enhanced value to our shareholders.

DIRECTORS' INTERESTS IN SHARE CAPITAL AND SHARE OPTIONS AS AT 30TH JUNE 2001

(a) Issued Share Capital

| Name of Director | Number of shares of HK\$1.00 each in the Company ("Shares") | | | | Total |
|------------------|-------------------------------------------------------------|------------------|---------------------|-----------------|------------|
| | Personal Interests | Family Interests | Corporate Interests | Other Interests | |
| Tong Nai Kan | – | – | 60,000,000 | – | 60,000,000 |

Note: 60,000,000 Shares were held by Gold Blue Group Limited which are beneficially owned by Mr. Tong Nai Kan.

(b) Share Options Scheme

Pursuant to the share option scheme of the company adopted on 22nd May 2000, as at 30th June 2001, certain directors of the Company have personal interests in share options to subscribe for shares in the Company which have been granted to them as follows:

| Name of Directors | Date of Grant | Period during which options are exercisable | Exercise Price HK\$ | Balance at 1st January 2001 | Balance at 30th June 2001 |
|------------------------------|---------------|---------------------------------------------|------------------------|-----------------------------|---------------------------|
| Tong Nai Kan | 11.7.2000 | 11.10.00 - 10.10.02 | 1.00 | 5,000,000 | 5,000,000 |
| Leung Wai Kwan | 11.7.2000 | 11.10.00 - 10.10.02 | 1.00 | 1,676,000 | 1,676,000 |
| Lam Cheung Shing, Richard | 11.7.2000 | 11.10.00 - 10.10.02 | 1.00 | 1,676,000 | 1,676,000 |
| Chow Sim Chu, Shirley | 11.7.2000 | 11.10.00 - 10.10.02 | 1.00 | 1,676,000 | 1,676,000 |
| | | | | <u>10,028,000</u> | <u>10,028,000</u> |

Save as disclosed above, during the six months ended 30th June 2001, none of the directors and chief executive of the Company nor any of their spouse or children under 18 was granted or holding options to subscribe for shares in the Company (within the meaning of the Securities (Disclosure of Interests) Ordinance), nor had exercised such rights.

Save for the Directors' interests as disclosed above, no interests in or right to subscribe for equity or debt securities of the Company, its subsidiaries or any associated company were recorded in the Company's register as required to be kept under section 29 of the Securities (Disclosure of Interests) Ordinance as at 30th June 2001.