



## **BUSINESS REVIEW**

### *Property Investment*

As mentioned in the previous annual reports of the Company, part of the rental for the shopping mall situated at the second floor of GITIC Plaza, PRC, which was received by a former fellow subsidiary company on behalf of the Company, is yet to be recovered. In June 2001, the Group entered into a new property management arrangement with effect from 1st January 2001. The Group continues to negotiate with this company for the settlement of this amount receivable by the Group.

In June 2002, the Group disposed the properties situated at 27th, 28th and 29th floors of GITIC Centre together with its naming right at a consideration of HK\$19,200,000. As at 30th June 2002, the Group had no property in Hong Kong.

### *Cord Blood Storage*

Cell Therapy Technologies Centre Limited ("CTTC"), a wholly-owned subsidiary company of the Group, principally involves in the analysis, storage, use of umbilical cord blood stem cells and the research and commercial development of stem cell therapeutic and scientific applications. CTTC is the owner of the trademark "cryoLIFE" and is presently one of the largest and most successful privately-owned cord blood-banking centre in Asia. The operation strictly follows American Association of Blood Banks (AABB) guidelines, and has achieved the ISO9002 certification since 1999 and upgraded to ISO year 2000 version in 2002, ensuring its top quality in processing and storage of client's cord blood samples.

At present, CTTC has a 5,000 square feet laboratory and main office in Siu Lek Yuen, New Territories and two service centers in Mongkok and Wan Chai.

The service of cord blood storage is relatively new in Hong Kong. Therefore, we believe the education on the value of cord blood is very important. Since CTTC was acquired by the Group in January 2001, it has held a number of seminars, distributed promotional VCD and brochures to generate public awareness and understanding of cord blood storage and stem cell therapeutic applications.

The Board believes that the present strategies with focus on generating public awareness of CTTC's service has been successful, as the accumulated number of clients as at 30th June 2002 has increased by 42% comparing to 30th June 2001.