

CHANGE OF DIRECTORSHIP

On 29th August, 2003, Ms. Ma Jun Li and Ms. Cheung Hoi Ping were appointed as executive directors of the Company.

On 30th November, 2003, Mr. Heng Kwoo Seng resigned as independent non-executive director of the Company. On 11th December, 2003, Mr. Sun Yeung Yeung was appointed as an independent non-executive director of the Company.

EMPLOYEES AND HUMAN RESOURCES POLICY

The Group had approximately 20 staff at the period end. Staff cost amounted to HK\$2,764,000 (2002: HK\$2,867,000). The Group is well acquainted with the importance of maintaining high calibre and competent employees by implementing a strict recruitment policy accordingly. It offers benefit like shares options to staff in order to instil a place of loyalty of the Company.

PROSPECT

Biomedical Investment

Through an acquisition of a wholly owned subsidiary, Honest Talents, during the period, the Group has invested in the contractual rights to acquire the technology of the recombinant human Stem Cell Factor ("rhSCF") for developing human cord blood related pharmaceutical products. Honest Talents has not commenced its operation up to 30th September, 2003. The rhSCF technology is planned to be commercialised in the PRC. The management is confident that with the satisfactory progress of the gene-technology and biomedical technology, the investment will see a very bright future and will bring along encouraging return to the Group.

Education Investment

The development in the PRC education sector will remain as the focus of the Group's future growth. The Group is now actively seeking for the appropriate investments.

INTERIM DIVIDEND

The Board of Directors has resolved not to recommend the payment of any interim dividend for the six months ended 30th September, 2003 (2002: Nil).

CONTINGENT LIABILITIES

At the balance sheet date, the Group does not have any contingent liabilities (31st March, 2003: Nil).