

CHAIRMAN'S STATEMENT

The Group has made satisfactory progress in its debt restructuring during the year. We have entered into two settlement agreements with two of our creditor banks to discharge our liabilities and obligations due to them. Coupled with the disposal of our remaining property portfolio, bank indebtedness has been brought down to a lower level.

We noted a remarkable change in the awareness of prevention of diseases in Hong Kong in 2003. Owing to the wider acceptance of and greater demand for DNA diagnostic services, the business of GenePro Medical Biotechnology Limited, our pharmaceutical/bio-pharmaceutical arm specialised in applying DNA biotechnology for disease diagnosis and human identification, has achieved satisfactory growth despite the incident of SARS in the first half of the year.

Looking forward, we will continue to work hard on the debt restructuring plan and soliciting investors to make investment in the Group. Upon finalisation of which, the Group will have a stronger financial strength to develop its core business.

Finally, I would like to take this opportunity to thank our shareholders, creditor banks, professional advisers and employees for their support during the year.

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Wan Kwong Kee

Chairman

Hong Kong, 20 April 2004