

CHANGE OF DIRECTORSHIP

On 16th September 2004, Mr. Wang Da Yong and Mr. Lee Yuen Kwong were appointed as executive director and independent non-executive director respectively while Mr. Lee Yuen Kwong also appointed as a member of the audit committee of the Company.

EMPLOYEES AND HUMAN RESOURCES POLICY

The Group had approximately 26 staff at the period end. Staff cost amounted to HK\$2,624,000 (2003: HK\$2,764,000). The Group is well acquainted with the importance of the maintaining high calibre and competent employees by implementing a strict recruitment policy accordingly. It offers benefit like share options to staff in order to instill a place of loyalty of the Company.

BUSINESS PROSPECT

The Group is principally engaged in international air and sea freight forwarding and the provision of logistics services, research and development and marketing of gene technology products. The Group is also actively looking for investment opportunities in relating to the coking industry in the PRC.

On 13th July, 2004, the Group entered into a non-legally binding memorandum of understanding for the acquisition of a controlling interest in a coking venture, Gu Jiao Yi Yi Mei Jiao Company Limited. The Board confirms that such project is still in the negotiation stage and no formal agreement has been entered into by the Company in respect thereof.

On 2nd December, 2004, the Group entered into a subscription agreement for issue up to US\$10,000,000 redeemable convertible bonds with Asset Managers (China) Fund Co., Ltd. We believe the issue of the bonds can strengthen our financial position enabling the Company to have sufficient and readily available financial resources for the proposed investment in the coking industry in the PRC so as to further diversify its business into the growing coke related production industry in the PRC.

INTERIM DIVIDEND

The Board of Directors has resolved not to recommend the payment of any interim dividend for the six months ended 30th September, 2004 (2003: Nil).

DIRECTORS' INTERESTS IN SHARES AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30th September, 2004, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company and its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the Securities and Futures Ordinance ("SFO") (including interests and short positions which they were taken or deemed to have under such provision of the SFO), or which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the