

### **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

Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

### Long Position in the shares and share options of the Company

Name of Directors	Capacity	Interests in shares	Interests in underlying shares (share options)	Percentage of the issued share capital of the Company	
Wang Jian Hua	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Wang Jian Hua		Beneficial owner	–	339,900,000	7.72%
Wang Jian Hua	<i>Note 2</i>	Interest by attribution	–	12,000,000	0.27%
Ng Tang, David	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Ng Tang, David		Beneficial owner	–	10,000,000	0.23%
Bao Wen Bin	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Bao Wen Bin		Beneficial owner	–	12,000,000	0.27%
Pak Chung	<i>Note 3</i>	Interest by attribution	305,018,760	–	6.93%
Pak Chung		Beneficial owner	11,982,000	5,000,000	0.39%
Ren Zheng		Beneficial owner	–	6,000,000	0.14%
Ma Jun Li	<i>Note 4</i>	Interest by attribution	2,256,000,000	339,900,000	58.96%
Ma Jun Li		Beneficial owner	–	12,000,000	0.27%

#### Notes:

1. Mr. Wang Jian Hua, Mr. Ng Tang, David and Mr. Bao Wen Bin beneficially own 93.7%, 3.8% and 2.5%, respectively, of the issued share capital of Best Chance Holdings Limited, and are deemed to have interest in 2,256,000,000 shares of HK\$0.05 each in the Company.
2. The interest by attribution represents share options held by Ms. Ma Jun Li, spouse of Mr. Wang Jian Hua.
3. Mr. Pak Chung is deemed to have interest in 305,018,760 shares of the Company through Fortune Garden Investment Limited which is wholly and beneficially owned by him.
4. The interest by attribution represents shares and share options held by Mr. Wang Jian Hua, spouse of Ms. Ma Jun Li.

Save as disclosed above and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, as at 30th September, 2004, none of the directors, nor their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporation.

### SHARE OPTIONS

The Company has two share option schemes which were adopted on 5th March, 1996 (the "1996 Scheme") and 18th March, 2002 (the "2002 Scheme") and the 1996 Scheme was terminated on 18th March, 2002.