Annual Report **2008**

FAR EAST PHARMACEUTICAL
TECHNOLOGY COMPANY LIMITED

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TECHNOLOGY COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code :399)

Contents

Message from the Chairman

BUSINESS REVIEW

Turnover of Far East Pharmaceutical Technology Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2008 amounted to approximately HK$317 million, representing a 281% increase from the year ended 30 June 2007 (approximately HK$83 million). The increase was mainly contributed by the co-operative joint venture (the "CJV") established in April 2007 in the People's Republic of China (the "PRC") for distributing pharmaceutical and healthcare products, which had a turnover of approximately HK$283 million for the year ended 30 June 2008. The new gene testing services which commenced business in May 2008 also contributed about HK$7 million to the Group's turnover.

Restructuring and General Offer

On 15 September 2004, Standard Chartered Bank (Hong Kong) Limited, acting as a bank creditor, presented a winding-up petition against the Company. Upon its application, Messrs. Lai Kar Yan Derek and Darach E. Haughey, both of Deloitte Touche Tohmatsu, were appointed by the Honourable Madam Justice Kwan as joint and several provisional liquidators of the Company (the "Provisional Liquidators") on 22 September 2004 so as to preserve the assets of the Company and to consider and review all restructuring proposals to maximize the recovery for the creditors and shareholders of the Company.

The Company was placed into the third stage of the delisting procedures on 17 October 2005. Best Champion Holdings Limited ("Best Champion") subsequently decided to pursue a restructuring of the Company.

After various discussions involving representatives of the Provisional Liquidators, Best Champion and their respective advisors, the terms of a restructuring proposal were formulated. The restructuring proposal involved, inter alia, (i) capital restructuring; (ii) debt restructuring; (iii) subscription of new shares of the Company (the "Shares"); and (iv) group reorganization.

A proposal for the resumption of trading in the Shares was submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in March 2006 (the "Resumption Proposal").

On 10 October 2007, the Stock Exchange issued a letter to Asian Capital (Corporate Finance) Limited, the financial advisor of the Company and advised that it had decided to allow the Company to proceed with the Resumption Proposal (as supplemented by subsequent submissions), subject to prior compliance with various conditions to the satisfaction of the Listing Division of the Stock Exchange within six months from the date of the letter, i.e. on or before 9 April 2008. The Stock Exchange subsequently extended the deadline of fulfilment to 31 July 2008.

On 28 December 2007, a restructuring agreement was entered into among the Company, the Provisional Liquidators and Best Champion for the implementation of the Resumption Proposal (the "Restructuring Agreement"). Pursuant to the Restructuring Agreement, a creditors' scheme of arrangement in accordance with Section 166 of the Companies Ordinance (the "Scheme") was contemplated. According to the Scheme, all liabilities of the Company, incurred on or before the date on which an office copy of the order of the Hong Kong High Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration (the "Registration Date"), shall be compromised and discharged and a sum of HK$25 million out of the proceeds from the issue and allotment of the Shares shall be made available to the scheme administrators. The Scheme would take binding effect on the Company and the creditors of the Company upon completion of all the other arrangements under the Resumption Proposal.

On 28 December 2007, a subscription agreement was entered into between the Company and Best Champion pursuant to which Best Champion has agreed to subscribe for and the Company has agreed to issue and allot 4,133,910,560 Shares (the "Subscription Shares") at a subscription price of HK$0.0145 per Subscription Share for a total consideration of HK$59,941,703.12.

On 24 January 2008, a placing agreement was entered into between the Company and Partners Capital Securities Limited pursuant to which Partners Capital Securities Limited has agreed to procure placees on a fully underwritten basis 576,923,077 new Shares (the "Placing Shares") and the Company has agreed to issue and allot the Placing Shares at a placing price of HK$0.052 per Placing Share, raising subscription monies in the amount of HK$30 million.

On 22 February 2008, the Scheme was duly approved at the scheme meeting of the Company. On 8 April 2008, it was sanctioned by the Hong Kong High Court and an office copy of the court's order was delivered to the Registrar of Companies in Hong Kong for registration on 27 June 2008, being the Registration Date.

On 14 March 2008, a restructuring supplemental agreement was entered into among the Company, the Provisional Liquidators and Best Champion in connection with the change of Asia Debt Management Hong Kong Limited to ADM Galleus Fund Limited ("ADM") as the subscriber of 1,153,846,154 new Shares (the "ADM Subscription Shares").

On 9 April 2008, a subscription agreement was entered into between the Company and ADM, pursuant to which ADM conditionally agreed to subscribe for and the Company agreed to issue and allot the ADM Subscription Shares at a subscription price of HK$0.052 per ADM Subscription Share for a total consideration of HK$60 million. A side letter dated 25 April 2008 was subsequently entered by the same parties to ensure consistency between this agreement and the option deed dated 25 April 2008.

On 28 May 2008, a circular in relation to the restructuring of the Company involving, inter alia, the Scheme, a proposed reduction of the nominal value of each share from HK$0.025 to HK$0.001 (the "Capital Reduction"), the proposed cancellation of the unissued share capital of the Company (the "Capital Cancellation"), the proposed consolidation of every 10 issued shares of the Company of HK$0.001 each immediately upon the Capital Reduction becoming effective into one new share of HK$0.01 (the "Share Consolidation"), the proposed increase of the authorized share capital of the Company from HK$2,175,742.20 immediately upon the Capital Cancellation and the Capital Consolidation to HK$100,000,000 at par value of HK$0.01, and the proposed cancellation of share options of the Company with exercise prices ranging from HK$0.163 to HK$0.1924 (the "Share Option"), the Restructuring Agreement, the subscription of Subscription Shares and ADM Subscription Shares, the placing of Placing Shares and whitewash waiver, was jointly issued by the Company and Best Champion.

Message from the Chairman

On 20 June 2008, an extraordinary general meeting of the Company (the "EGM") was duly held and all the resolutions regarding the implementation of the restructuring were duly passed by the shareholders of the Company ("Shareholders") attending and eligible to vote at the meeting.

Thanks to the effort of the Provisional Liquidators, Best Champion and their respective advisors, the conditions imposed by the Listing Division were successfully fulfilled on 9 July 2008. The appointments of Ms. Choi Suk Ching as an executive director of the Company (the "Executive Director") and Dr. Leung Wai Cheung as an independent non-executive director of the Company (the "Independent Non-Executive Director"), became effective from the same date. Ms. Choi Suk Ching is entitled to a fixed sum of HK$30,000 for each month and Dr. Leung Wai Cheung is entitled to a fixed sum of $15,000 for each month, as ordinary remuneration in respect of their capacity as members of the Board. The winding up petition against the Company was dismissed and the Provisional Liquidators of the Company were discharged on 11 July 2008 pursuant to a court order dated 8 July 2008.

After the completion of the restructuring of the Company, trading of the Shares on the Stock Exchange was resumed on 18 July 2008.

After resumption of trading in the Shares and the exercise of put option by ADM, Best Champion held 4,561,516,714 Shares, representing approximately 75% of the Shares in issue. Best Champion was held 100% by Merit Faith International Limited ("Merit Faith"), which was in turn 100% held by Start Grand Holdings Limited ("Start Grand"), and Start Grand was held 100% by Mr. Han Xianfu.

On 16 September 2008, pursuant to a deed of settlement entered into by Richlong Group Limited ("Richlong"), Merit Faith and Start Grand (the "Deed of Settlement"), Merit Faith transferred the entire share capital of Best Champion to Richlong in full and final settlement of an indebtedness in the amount of HK$133,550,684.93. Richlong is owned as to approximately 33.33% by Access Lead Limited ("Access Lead") and as to approximately 66.67% by Glorious King Limited ("Glorious King"). Access Lead is beneficially owned as to 55% by Mr. Tai Kai Hing, an Executive Director of the Company, as to 25% by Mr. Tai Kai Sun, and 20% by Ms. Tai Shun Hing, both siblings of Mr. Tai Kai Hing. Glorious King is wholly and beneficially owned by Dr. Mao Yumin.

In accordance with Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, Richlong, which now holds 4,561,516,714 Shares, representing approximately 75% of the Shares in issue through Best Champion, is required to make an unconditional cash offer to acquire all the issued Shares (other than those already owned by it, its ultimate beneficial owners and parties acting in concert with any of them) (the "Offer"). The price for each Share under the Offer is HK$0.03. A circular in relation to the terms of the Offer was issued by the Company and Richlong on 17 October 2008. The Offer has commenced on the same date and will be closed on 7 November 2008.

Future Prospects

Upon the completion of the restructuring of the Company, the financial position of the Group has been substantially improved as approximately HK$150 million (of which HK$25 million was transferred to the scheme administrators of the Scheme) has been raised through the subscription of the Subscription Shares and ADM Subscription Shares and the placing of the Placing Shares, and all the liabilities of the Company incurred on or before 27 June 2008, have been discharged through the Scheme.

Message from the Chairman

It is the intention of Richlong, a substantial shareholder, that the Group will continue with its existing principal activities, which include the manufacturing and distribution of pharmaceutical products, health supplements in the PRC, as well as provision of gene testing services. Richlong believes that the experience of its controlling shareholders will contribute to the long term prosperity of the Group.

Co-operative Joint Venture

In view of the aging population, the increasing awareness of health care and increasing income level in the PRC, it is expected that the CJV will enjoy a stable growth in business.

Laolaishou

Laolaishou Biotech Company Limited (濟南老來壽生物科技有限公司) ("Laolaishou") is mainly engaged in the research, manufacturing, and distribution of pharmaceutical products and health food products. Currently, Laolaishou owns eight pharmaceutical licenses, three health products, two manufacturing rights of patented health food products, namely 老來壽膠囊 (Laolaishou Capsule) and 開元唐泰膠囊 (Kaiyuantangtai Capsule), and other patents in the application stage.

In order to further improve and enhance the business of the Group, the CJV entered into an exclusive distribution agreement with Laolaishou on 20 August 2007. Under the agreement, after the successful resumption of trading in the Shares, the CJV has become the sole agent having the exclusive right for distributing the products of Laolaishou in the PRC. In addition, the CJV has also become the sole licensee for operating licensed shops namely "Laolaishou Health Clubs" in the PRC.

Since 18 July 2008 (i.e. the date of resumption of trading in the Shares), the directors of the CJV have commenced discussions with various sub-licensees of Laolaishou Health Clubs in the PRC with regard to the mechanism of assimilating the existing licensed Laolaishou Health Clubs into the CJV. Each of the sub-licensees was requested to execute a sub-licensing agreement with the CJV directly. Discussions were also held by the Company with both sub-licensees and Laolaishou in relation to the operational, accounting and reporting systems of "Laolaishou Health Clubs".

Furthermore, the CJV is considering to set up its own Laolaishou Health Clubs and dedicated shops in the PRC. The Directors believe that the setting up of own retail shops of the CJV and the assimilation of the existing licensed shops into the CJV will substantially enhance the profit margin of the Group mainly due to the capture of the retail sales margin into the Group.

Desheng Anqing

The Directors of the Company are considering restructuring the operation of Shanghai Desheng Technology Group (Anqing) Pharmaceutical Company Limited ("Desheng Anqing") by several means, including but not limited to the closure of the existing factory, the proposed construction of a new factory in other location of Anqing and the restructuring of existing indebtedness with the banks and other creditors of Desheng Anqing.

Message from the Chairman

Since 1 August 2008, Desheng Anqing has ceased its business operation but focused its effort in discussing with the relevant government authorities, bank creditors and suppliers in relation to the proposed relocation of the business operation into a new factory and restructuring of its debts due to bank creditors and suppliers.

Main Wealth Limited and Bestdone Limited

The Company has sought to diversify its business to high end health related services. Main Wealth Limited and Bestdone Limited, both subsidiaries of the Company, have entered into an exclusive distribution agreement with China United Gene Health Industry Limited in May 2008 and August 2008 respectively. Under the terms of the agreements, Main Wealth Limited and Bestdone Limited were granted exclusive rights to the provision of gene testing services in Hong Kong and Asia Pacific Region respectively.

The management believes that the new gene testing services will help the Group to capture new market, increase its profitability and diversify its business risk.

FINANCIAL REVIEW

Capital Structure, Liquidity, Financial Resources

Capital Structure

Details of the capital structure of the Company are set out in note 25 to the consolidated financial statements.

Liquidity and financial resources

As at 30 June 2008, the Group remained heavily insolvent (with a gearing ratio of -1.07, which is measured on the basis of the Group's total debts over the total equity) due to the significant amount of syndicated bank loan borrowed (approximately HK$646.5 million as at 30 June 2008) by the Company in May 2004. Details of which are mentioned in note 21 to the consolidated financial statements. However, all the liabilities of the Company incurred on or before the Registration Date, i.e. 27 June 2008, were compromised and discharged through the Scheme which became effective from 18 July 2008.

Significant investment

As at 30 June 2008, the Company did not have any significant investments.

Charges on the Group's assets

As at 30 June 2008, bank loans of approximately HK$27.6 million were secured by charges over the Group's certain fixed assets and prepaid land lease payments totaling HK$26.1 million.

Message from the Chairman

Contingent liabilities

As at 30 June 2008, the Group had contingent liabilities of about HK$113 million. However, all liabilities of the Company incurred on or before the Registration Date, i.e. 27 June 2008, will be compromised and discharged through the Scheme which became effective from 18 July 2008.

Commitments

The commitments of the Group as at 30 June 2008 are set out in notes 29 and 30 to the consolidated financial statements.

Foreign Exchange Exposure

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollar functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Number and Remuneration of Employees

As at 30 June 2008, the Group had approximately 171 (2007: approximately 160) full-time employees, most of which were working in the subsidiaries in the PRC.

It is the Group's policy that remuneration of the employees is in line with market and commensurable with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement schemes, training programmes and education subsidies.

Total staff cost for the financial year amounted to approximately HK$3.0 million (2007: approximately HK$1.5 million)

Segment information

Details are set out in note 8 to the consolidated financial statements.

Appreciation

I would like to take this opportunity to thank my fellow Directors for their wise counsel and support, and the management and staff at all levels for their dedication, hard work and contributions in the past year.

Management Profile

EXECUTIVE DIRECTORS

Mr. Tai Kai Hing, aged 34, is an Executive Director and the chairman of the Company (the "Chairman"). Mr. Tai has acquired an extraordinary experience with broad exposures, starting his very first day as business consultant after graduation from the university. Since then, Mr. Tai has been working with professionals and senior managers from companies in different business sectors and scales.

Ms. Choi Suk Ching, aged 35, was appointed as an Executive Director on 9 July 2008. Ms. Choi has good experience in corporate operations and management, with skills specializing in the area of public relations and media management. Ms. Choi is the wife of Mr. Tai Kai Hing, another Executive Director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Wai Man, aged 50, is an Independent Non-Executive Director. Mr. Chung has extensive experience in the banking, finance and business consulting industry.

Mr. Chiu Koon Shou, Victor, aged 39, is an Independent Non-Executive Director. Mr. Chiu is a practicing lawyer and a partner of Victor Chiu Tsang & Partners. Mr. Chiu has more than 13 years of experience in the legal industry.

Dr. Leung Wai Cheung, aged 44, was appointed as an Independent Non-Executive Director on 9 July 2008. Dr. Leung is a qualified accountant and a chartered secretary with over 20 years of experience in accounting, auditing and financial management. He is an associate member of each of the Hong Kong Institute of Certified Public Accountants, CPA Australia, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong and a fellow member of the Association of Chartered Certified Accountants. Dr. Leung also holds a teaching post in the Open University of Hong Kong (LiPACE) and Hong Kong University (SPACE). He is also the Independent Non-Executive Director of Wing Hing International (Holdings) Limited, Sino Prosper Holdings Limited and China Metal Resources Holdings Limited which are listed companies on the Stock Exchange.

MANAGEMENT

Dr. Dong Hui, aged 46, is the General Manager of the Group. Dr. Dong holds a master degree in Pharmacy of The Henan University of Traditional Chinese Medicine and a doctor degree in philosophy of China Pharmaceutical University and Toyama Medical and Pharmaceutical University. Dr. Dong has over 18 years experience in research and development, quality control, production management and market development on traditional Chinese medicines and natural product medicines.

Mr. Dong Qi, aged 35, is the Sales Head of the Group. Mr. Dong holds the qualification of a pharmacist and has approximately 10 years of working experience in the pharmaceutical industry. Mr. Dong had also worked in senior management position of several pharmaceutical companies. Mr. Dong is also a director of a subsidiary of the Company.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establish and maintain good corporate governance practice at all times. The board of Directors (the "Board") believes that good corporate governance can enhance performance of the Group and improve the accountability and transparency to all shareholders.

For the period from 22 September 2004 to 18 July 2008, the Company was under the legal stewardship of the Provisional Liquidators. The Company had practical difficulties to fully comply with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), especially because of resource and legal constraints. As such, there were only two Independent Non-Executive Directors on the Board, no company secretary or audit committee appointed or established, no separation of the roles of the Chairman and the chief executive officer of the Company (the "Chief Executive Officer"), and only two Board meetings held during that particular financial year.

As the Shares have resumed trading on the Stock Exchange from 18 July 2008, and with the appointment of the compliance advisor, the Company and the Directors will strive to follow the internal control manuals and put in place sufficient resources to comply with the Code. As at the date of this report, save for the separation of the roles of the Chairman and the Chief Executive Officer, the Company has rectified all the deviations from the Code by appointing Ms. Choi Suk Ching as an Executive Director, Dr. Leung Wai Cheung as an Independent Non-Executive Director, Mr. Chan Sek Kwan, Rays as the company secretary, and established the audit committee, all in compliance with the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Seurities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. All the Directors of the Company have confirmed that they have fully complied with the Model Code throughout the financial year ended 30 June 2008.

BOARD OF DIRECTORS

The Board comprised only one Executive Director and two Independent Non-Executive Directors during the year ended 30 June 2008, which is a breach of rule 3.10 of the Listing Rules which requires every board to include three independent non-executive directors. The main reason for the non-compliance was that the Company was under the legal stewardship of the Provisional Liquidators during the financial year and lacked the resources to maintain two executive directors and three independent non-executive directors at that time. On 9 July 2008, before the resumption of trading in Shares, the Company appointed its third Independent Non-Executive Director in order to comply with the requirement.

Further details of the composition of the Board are set out in the section headed "Management Profile" on page 8. The Board believes that the balance between Executive Directors and Independent Non-Executive Directors is adequate to safeguard Shareholders' value. Independent Non-Executive Directors can also provide the Group with diversified expertise and invaluable experience. Their independent advice can bring independent judgment to decision making and add varieties in strategy formulation.

Corporate Governance Report

The Directors oversee financial performance and formulate business strategies of the Group, as well as discuss on any significant matters relating to the Group at Board meetings. Daily operational matters are delegated to the management.

In light of the abovementioned situation, the Board held only two Board meetings during the year ended 30 June 2008, which deviates from the code provision A.1.1 of the Code which requires that Board meetings should be held at least four times a year. Upon the resumption of trading in the shares of the Company on 18 July 2008 and up to the date of the report, one Board meeting has been held with the attendance of all directors. The Board expects that regular Board meetings will be held throughout the coming years and the requirement of the Code will be met in the ensuing financial year.

The attendance record of the Board meetings held in the year ended 30 June 2008 and up to the date of this annual report is set out below:

Director	Meetings attended/Total
Executive Directors	
Tai Kai Hing	3/3
Choi Suk Ching (appointed on 9 July 2008)	1/1
Independent Non-Executive Directors	
Chiu Koon Shou, Victor	1/3
Chung Wai Man	3/3
Leung Wai Cheung (appointed on 9 July 2008)	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and Chief Executive Officer are held by the same individual, Mr. Tai Kai Hing. The Company is aware of the deviation from the code provision A.2.1 of the Code which requires that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The Company currently cannot comply with this code provision and is looking for a suitable person to act as the Chairman with a hope to comply with the requirement in the near future.

NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term and should be subject to re-election. The Independent Non-Executive Directors were not appointed for specific terms but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company's articles of association. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision. Each Independent Non-Executive Director is remunerated HK$15,000 per month.

Corporate Governance Report

REMUNERATION OF DIRECTORS

The Company formulated written terms of reference for the remuneration committee of the Company (the "Remuneration Committee") in accordance with the requirements of the Listing Rules. The Remuneration Committee consists of one Executive Director, namely Mr. Tai Kai Hing, and two Independent Non-Executive Directors, namely Mr. Chung Wai Man and Mr. Chiu Koon Shou, Victor. Mr. Tai Kai Hing is the chairman of the Remuneration Committee.

The primary functions of the Remuneration Committee are as follows:

(a) to advise shareholders on whether the terms of service contracts that require shareholder's approval are fair and reasonable;

(b) to make recommendation on the Group's remuneration policy and structure;

(c) to establish guidelines for recruitment of senior management;

(d) to determine the remuneration of members of the senior management; and

(e) to formulate remuneration policy and make recommendations on annual remuneration review.

The remuneration of the Directors is reviewed and fixed by the Remuneration Committee, with reference to competition and industry norms, and expertise, performance and experience possessed by the individual Director.

The Remuneration Committee was set up on 30 June 2008. No meeting has been held during the year ended 30 June 2008 and up to the date of the report.

NOMINATION OF DIRECTORS

The Company has not established a nomination committee of the Company. To maintain the Board with a balance of skills and experience, the Board will identify individuals suitably qualified to become directors when necessary. In evaluating whether a candidate is suitable to act as a Director, the Board would normally take into consideration of the candidate's past experience, qualifications and other factors that are relevant to the Company's business. On 9 July 2008, the Board appointed Ms. Choi Suk Ching as an Executive Director and Dr. Leung Wai Cheung as an Independent Non-Executive Director based on the aforementioned nomination policy.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors ensure the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the financial statements of the Group are published timely.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern.

Corporate Governance Report

AUDITORS' REMUNERATION

The Group's external auditors are ANDA Certified Public Accountants. For the year ended 30 June 2008, the auditors of the Company will charge the amount of HK$780,000 for audit service.

AUDIT COMMITTEE

The Company formulated written terms of reference for the audit committee of the Company (the "Audit Committee") in accordance with the requirements of the Listing Rules. The Audit Committee consists of three Independent Non-Executive Directors, namely Mr. Chiu Koon Shou, Victor, Mr. Chung Wai Man and Dr. Leung Wai Cheung. Mr. Chung Wai Man is the chairman of the Audit Committee. The Audit Committee was set up prior to the resumption of trading in the Shares. No meeting was held during the year ended 30 June 2008. Up to the date of the report, one meeting was held with the attendance of all the members of the Audit Committee.

The primary functions of the Audit Committee are as follows:

(a) to serve as a focal point for communication between the Directors, external auditors and internal auditors;

(b) to assist the Board in fulfilling its responsibility by providing an independent review and supervision of financial reporting, and monitoring and reviewing the effectiveness of the Group's internal controls and the adequacy of the external and internal audits;

(c) to review the appointment of external auditors on an annual basis as well as to ensure continuing auditors independence; and

(d) to develop and monitor the applications of the policies on the engagement if the external auditors to perform non-audit services (other than tax-related services).

The Group's audited financial statements for the year ended 30 June 2008 have been reviewed by the Audit Committee.

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal control system to safeguard shareholders' value, and to review the effectiveness of this system. The Board conducts regular reviews of the Group's internal control system. The system includes defined management structure with limits of authority set at various levels, which is designed to safeguard assets, ensure the maintenance of proper records, provide reliable financial information ready for internal use or publication, and ensure compliance with regulations.

During the financial year, the Board reviewed internal control procedures of the Group and findings and opinion of the internal auditor on the Group's internal control system and considered that the internal control system is effective and adequate.

Report of the Directors

The Directors present their annual report and the audited financial statements for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 32 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2008 are set out in the consolidated income statement on page 24.

The Directors do not recommend the payment of a dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the financial year in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 30 June 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

SHARE CAPITAL

Details of movements during the financial year in the share capital of the Company are set out in note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and of the Company during the financial year are set out in the consolidated statement of changes in equity on page 26 and note 26 to the consolidated financial statements, respectively.

Report of the Directors

DIRECTORS

The Directors of the Company during the financial year and up to the date of this report were:

Executive Directors
Tai Kai Hing
Choi Suk Ching (appointed on 9 July 2008)

Independent Non-Executive Directors
Chiu Koon Shou, Victor
Chung Wai Man
Leung Wai Cheung (appointed on 9 July 2008)

In accordance with the provisions of the Company's articles of association, Mr. Chung Wai Man will retire by rotation and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2008, save as disclosed below, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

Name of the Director	Long/Short position	Capacity	Number of underlying Shares held	Percentage of the issued share capital of the Company	Percentage on a fully diluted basis
Tai Kai Hing	Long	Interest of a controlled corporation	5,287,756,714 *(Note 1)*	2430.32%	86.94% *(Note 2)*

Notes:

1. All these underlying Shares were deemed interest of Mr. Tai Kai Hing held by Access Lead, which was owned as to 55% by him. Pursuant to a loan arrangement between Access Lead and Merit Faith entered on 20 May 2008, Access Lead provided a loan of HK$130,000,000 to Merit Faith to finance Best Champion to complete the restructuring of the Company. To secure the payment obligations, respective share mortgages on the entire issued share capital of Merit Faith and Best Champion were made.

In accordance with the agreements between the Company, Best Champion and ADM, a total number of 5,287,756,714 Shares would be issued to Best Champion and ADM upon the completion of the restructuring of the Company and the resumption of trading in the Shares.

As at the date of 30 June 2008, the total number of the Shares in issue was 217,574,240.

2. Taking into the effect of the issue and allotment of a total of 5,864,679,791 Shares according to the subscription agreements between the Company, Best Champion and ADM and the placing agreement between the Company and Partners Capital Securities Limited, the total number of the Shares in issue is 6,082,254,031 as of the date of this report.

Pursuant to a placing down agreement entered on 12 July 2008, Best Champion reduced its long position from 5,287,756,714 Shares to 4,561,516,714 Shares on 17 July 2008. Subsequently, pursuant to the Deed of Settlement dated 16 September 2008, Richlong, in which Access Lead has approximately 33.33% interest, indirectly owned all these Shares through Best Champion. The remaining approximately 66.67% interest of Richlong belongs to Glorious King, with whom Access Lead has a put and call option such that, amongst others, Access Lead is entitled to sell all its shares in Richlong to Glorious King.

SHARE OPTIONS

Pursuant to an ordinary resolution passed at the EGM on 20 June 2008, the total 68,000,000 Share Options having exercise prices ranging from HK$0.163 to HK$0.1924 were cancelled.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the financial year.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2008, the register of interests and short positions in the shares and underlying shares of the Company kept under Section 336 of the Securities and Futures Ordinance (the "SFO") showed that, the following entities had an interest or deemed interest of 5% or more in the share capital of the Company:

Name of shareholder	Long/Short position	Capacity	Number of shares/underlying shares held	Note	Percentage of the issued share capital of the Company (Note 4)	Percentage on a fully diluted basis (Note 5)
Access Lead	Long	Other	5,287,756,714	(1)	2430.32%	86.94%
Mr. Tai Kai Hing	Long	Interest of a controlled corporation	5,287,756,714	(1)	2430.32%	86.94%
Best Champion	Long	Beneficial owner	5,287,756,714	(2)	2430.32%	86.94%
	Short	Beneficial owner	5,287,756,714	(2)	2430.32%	86.94%

Report of the Directors

Name of shareholder	Long/Short position	Capacity	Number of shares/underlying shares held	Note	Percentage of the issued share capital of the Company (Note 4)	Percentage on a fully diluted basis (Note 5)
Han Xianfu	Long	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
	Short	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
Merit Faith	Long	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
	Short	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
Start Grand	Long	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
	Short	Interest of a controlled corporation	5,287,756,714	(2)	2430.32%	86.94%
ADM	Long	Beneficial owner	1,153,846,154	(2)	530.32%	18.97%
	Short	Beneficial owner	1,153,846,154	(2)	530.32%	18.97%
Cai Chong Zhen	Long	Beneficiary of a trust	88,340,000	(3)	40.60%	1.45%
Zhang Xiuqiong	Long	Interest of spouse	88,340,000	(3)	40.60%	1.45%
Chen Ching Ken	Long	Founder of a discretionary trust	88,340,000	(3)	40.60%	1.45%
Chen Lin Mei Mei	Long	Interest of spouse	88,340,000	(3)	40.60%	1.45%
Great Wall Investment Group Limited	Long	Trustee	88,340,000	(3)	40.60%	1.45%
Trident Corporate Services (B.V.I.) Limited (formerly known as Ansbacher (BVI) Limited)	Long	Trustee	88,340,000	(3)	40.60%	1.45%
Celestial Securities	Long	Trustee	88,340,000	(3)	40.60%	1.45%

Notes:

1. As disclosed in note 1 in the Directors' Interests in Shares on pages 14 to 15 in this report, Access Lead is owned as to 55% by Mr. Tai Kai Hing, an Executive Director of the Company.

2. As disclosed in note 1 in the Directors' Interests in Shares on page 14 to 15 and in this report and is also the section headed "Restructuring and General Offer" on pages 2 to 3 in this annual report, Best Champion agreed to subscribe for the Subscription Shares, which amounted to 4,133,910,560 Shares, and ADM agreed to subscribe for the ADM Subscription Shares, which amounted to 1,153,846,154 Shares, upon the completion of the restructuring of the Company. Pursuant to an option deed entered into between Best Champion and ADM on 9 April 2008, all the 1,153,846,154 ADM Subscription Shares were subject to a call option granted by ADM to Best Champion and a put option granted by Best Champion to ADM.

   Mr. Han Xianfu was the ultimate beneficial owner of Best Champion, through his 100% interest in Start Grand, Start Grand's 100% interest in Merit Faith and Merit Faith's 100% interest in Best Champion.

   In accordance with the loan arrangement between Merit Faith and Access Lead dated 20 May 2008, respective share mortgages on the entire issued share capital of Merit Faith and Best Champion were made to Access Lead to secure the payment obligations.

3. These Shares were held by Great Wall Investment Group Limited as the trustee of The Great Wall Unit Trust, a unit trust of which all of the units in issue are owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The C&C Trust, a discretionary family trust of which the objects include Mr. Cai Chong Zhen and his spouse and the family member of Mr. Chen Ching Ken.

   Accordingly, Mr. Chen Ching Ken, as founder of The C&C Trust, and Mr. Cai Chong Zhen, as one of the discretionary objects of The C&C Trust, were deemed to be interested in the shares owned by Great Wall Investment Group Limited in its capacity as the trustee of The Great Wall Unit Trust under Part XV of the SFO.

   Ms. Zhang Xiuqiong was deemed to be interested in the 88,340,000 Shares through interests of her spouse, Mr. Cai Chong Zhen.

   Ms. Chen Lin Mei Mei was deemed to be interested in the 88,340,000 Shares through interests of her spouse, Mr. Chen Ching Ken.

4. The above stated number of shares or underlying shares held is the amount after the Share Consolidation which became effective from 27 June 2008. As at 30 June 2008, the total number of the Shares in issue was 217,574,240.

   As at 30 June 2008, there is no outstanding share options of the Company. All of the previously issued Share Options were cancelled pursuant to an ordinary resolution passed at the EGM on 20 June 2008.

5. As disclosed in note 2 in the Directors' Interest in Shares on page 15 in this report, on a fully diluted basis, Great Wall Investment Group Limited and Celestial Securities Limited and their respective associates are no longer substantial Shareholders.

As at the date of this report, Best Champion, which owns 4,561,516,714 Shares, representing approximately 75% of issued share capital of the Company, is a substantial Shareholder. Richlong has the same long position through its 100% holdings in Best Champion. Richlong is owned as to approximately 33.33% by Access Lead and as to approximately 66.67% by Glorious King. Access Lead is beneficially owned as to 55% by Mr. Tai Kai Hing, an Executive Director of the Company, as to 25% by Mr. Tai Kai Sun, and 20% by Ms. Tai Shun Hing, both siblings of Mr. Tai Kai Hing. Glorious King is wholly and beneficially owned by Dr. Mao Yumin.

Pursuant to an option deed (as supplemented by a supplemental option deed) entered into by Access Lead and Glorious King dated 16 September 2008, Access Lead's approximately 33.33% interest in Richlong is subject to a call option granted by Access Lead to Glorious King and a put option granted by Glorious King to Access Lead. So Access Lead has a short position of 4,561,516,714 Shares, representing approximately 75% of the issued share capital of the Company under the above said arrangement.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the share capital of the Company as at 30 June 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation from each Independent Non-Executive Director with each confirming his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

CONNECTED TRANSACTIONS

To the best knowledge of the Directors, no connected transactions ocurred during the financial year.

INTERESTS IN COMPETITORS

During the financial year and up to date of this report, no Director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to the Listing Rules, other than those businesses of which the Directors were appointed as Directors to represent the interests of the Company and/or the Group.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The emoluments of the Directors for the financial year are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics, and will be reviewed by the Remuneration Committee in the forthcoming financial year.

The Company has not adopted any share option scheme as at the date of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CHARITABLE DONATIONS

During the financial year, the Group did not make any charitable donation.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's transactions with its major suppliers and customers during the financial year are set out below:

In 2008, the Group's 5 largest customers accounted for approximately 3.9% of the Group's turnover and the Group's largest customer accounted for 1.0% of the Group's turnover.

In 2008, the Group's 5 largest suppliers comprised approximately 5.2% of the Group's total purchases, and the largest supplier comprised approximately 1.2% of the Group's total purchases, evidencing the Group is not dependent on any one supplier, and that our purchases are at a fair market price.

At no time during the financial year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

FINANCIAL SUMMARY

The following is a summary of the results and of the assets and liabilities of the Group:

	For the years ended 30 June				
	2008 HK$'000	**2007** HK$'000	**2006** HK$'000	**2005** HK$'000	**2004** HK$'000
RESULTS					
Turnover	317,041	83,111	32,028	29,061	29,092
Loss before tax	(68,546)	(64,131)	(52,953)	(40,997)	(1,456,614)
Income tax expense	(33)	(10)	–	–	–
Loss for the year	(68,579)	(64,141)	(52,953)	(40,997)	(1,456,614)
Attributable to:					
Equity holders of the Company	(68,621)	(64,150)	(52,953)	(40,997)	(1,452,845)
Minority interests	42	9	–	–	(3,769)
	(68,579)	(64,141)	(52,953)	(40,997)	(1,456,614)

Report of the Directors

	As at 30 June				
	2008 HK$'000	**2007** HK$'000	**2006** HK$'000	**2005** HK$'000	**2004** HK$'000
ASSETS AND LIABILITIES					
Non-current assets	34,751	35,840	34,953	33,351	34,799
Current assets	18,764	9,714	12,890	13,026	157,843
Current liabilities	(840,555)	(762,220)	(700,935)	(649,029)	(167,756)
Non-current liabilities	(1,430)	(1,637)	(1,427)	(1,271)	(586,157)
Net liabilities	(788,470)	(718,303)	(654,519)	(603,923)	(561,271)
Attributable to:					
Equity holders of the Company	(788,976)	(718,517)	(654,519)	(601,923)	(561,271)
Minority interests	506	214	–	–	–
Total equity	(788,470)	(718,303)	(654,519)	(601,923)	(561,271)

EVENT AFTER THE BALANCE SHEET DATE

Details of significant events occurring after the balance sheet date are set out in note 31 to the consolidated financial statements.

AUDITORS

On 18 July 2007, CCIF CPA Limited who acted as auditors of the Company for the year ended 30 June 2003 resigned and ANDA Certified Public Accountants were appointed as auditors of the Company on 15 August 2007. A resolution will be submitted to the annual general meeting to re-appoint ANDA Certified Public Accountants as auditors of the Company.

CORPORATE GOVERNANCE

The Company has not complied with the Code as set out in Appendix 14 to the Listing Rules. Details of the Corporate Governance Report of the Company are set out on pages 9 to 12 of this annual report.

On behalf of the Board

Tai Kai Hing
CHAIRMAN
Hong Kong, 29 October 2008

Independent Auditor's Report

TO THE SHAREHOLDERS OF
Far East Pharmaceutical Technology Company Limited
遠東生物制藥科技有限公司
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Far East Pharmaceutical Technology Company Limited (the "Company") set out on pages 24 to 59, which comprise the consolidated balance sheet as at 30 June 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2008 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

ANDA Certified Public Accountants
Hong Kong
29 October 2008

Consolidated Income Statement

For the year ended 30 June 2008

	NOTES	2008 HK$'000	2007 HK$'000
Turnover	6	**317,041**	83,111
Cost of sales		**(308,933)**	(79,151)
Gross profit		**8,108**	3,960
Other income	7	**71**	106
Selling expenses		**(6,643)**	(3,674)
Administrative expenses		**(10,135)**	(4,066)
Loss from operations		**(8,599)**	(3,674)
Finance cost	9	**(59,947)**	(60,457)
Loss before tax		**(68,546)**	(64,131)
Income tax expense	10	**(33)**	(10)
Loss for the year	11	**(68,579)**	(64,141)
Attributable to:			
Equity holders of the Company	14	**(68,621)**	(64,150)
Minority interests		**42**	9
		(68,579)	(64,141)
Loss per share	15		
Basic (HK cents per share)		**(31.54)**	(29.48)
Diluted (HK cents per share)		**N/A**	N/A

Consolidated Balance Sheet

At 30 June 2008

	NOTES	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment	16	**24,383**	26,233
Prepaid lease payments	17	**10,368**	9,607
		34,751	35,840
Current assets			
Inventories	18	**5,641**	2,612
Prepayments, deposits and other receivables		**344**	2,221
Trade receivables	19	**10,828**	3,656
Prepaid lease payments	17	**241**	218
Bank and cash balances	20	**1,710**	1,007
		18,764	9,714
Current liabilities			
Bank loans	21	**674,146**	612,871
Trade payables	22	**24,599**	15,933
Accruals and other payables	23	**141,810**	133,416
		840,555	762,220
Net current liabilities		**(821,791)**	(752,506)
Total assets less current liabilities		**(787,040)**	(716,666)
Non-current liabilities			
Deferred taxation	24	**1,430**	1,637
NET LIABILITIES		**(788,470)**	(718,303)
Capital and reserves			
Share capital	25	**2,176**	54,394
Reserves	26	**(791,152)**	(772,911)
Equity attributable to equity holders of the Company		**(788,976)**	(718,517)
Minority interests		**506**	214
TOTAL EQUITY		**(788,470)**	(718,303)

Approved by:

Tai Kai Hing
Director

Choi Suk Ching
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2008

	Attributable to equity holders of the Company								
	Share capital	Share premium account	Statutory surplus reserve	Property revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total	Minority interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 July 2006	54,394	385,249	998	4,170	2	(1,099,332)	(654,519)	–	(654,519)
Translation difference	–	–	–	–	(223)	–	(223)	–	(223)
Revaluation surplus on buildings	–	–	–	375	–	–	375	–	375
Net income recognised directly in equity	–	–	–	375	(223)	–	152	–	152
Loss for the year	–	–	–	–	–	(64,150)	(64,150)	9	(64,141)
Total recognised income and expense for the year	–	–	–	375	(223)	(64,150)	(63,998)	9	(63,989)
Capital contribution by minority	–	–	–	–	–	–	–	205	205
At 30 June 2007	54,394	385,249	998	4,545	(221)	(1,163,482)	(718,517)	214	(718,303)
At 1 July 2007	**54,394**	**385,249**	**998**	**4,545**	**(221)**	**(1,163,482)**	**(718,517)**	**214**	**(718,303)**
Translation difference	**–**	**–**	**–**	**–**	**(703)**	**–**	**(703)**	**–**	**(703)**
Revaluation deficit on buildings	**–**	**–**	**–**	**(1,135)**	**–**	**–**	**(1,135)**	**–**	**(1,135)**
Net expense recognised directly in equity	**–**	**–**	**–**	**(1,135)**	**(703)**	**–**	**(1,838)**	**–**	**(1,838)**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(68,621)**	**(68,621)**	**42**	**(68,579)**
Total recognised income and expense for the year	**–**	**–**	**–**	**(1,135)**	**(703)**	**(68,621)**	**(70,459)**	**42**	**(70,417)**
Reduction of share capital	**(52,218)**	**–**	**–**	**–**	**–**	**52,218**	**–**	**–**	**–**
Capital contribution by minority	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**250**	**250**
At 30 June 2008	**2,176**	**385,249**	**998**	**3,410**	**(924)**	**(1,179,885)**	**(788,976)**	**506**	**(788,470)**

Consolidated Cash Flow Statement

For the year ended 30 June 2008

	2008 HK$'000	2007 HK$'000
Cash flows from operating activities		
Loss before tax	**(68,546)**	(64,131)
Adjustments for:		
Depreciation	**2,837**	2,711
Loss on written off of property, plant and equipment	**277**	–
Amortisation of prepaid lease payments	**241**	218
Interest income	**(1)**	(18)
Finance cost	**59,947**	60,457
Operating loss before working capital changes	**(5,245)**	(763)
Change in inventories	**(3,029)**	1,581
Change in prepayments, deposits and other receivables	**1,877**	(944)
Change in trade receivables	**(7,172)**	1,172
Change in trade payables	**8,666**	556
Change in accruals and other payables	**8,394**	3,368
Cash generated from operations	**3,491**	4,970
Tax paid	**(33)**	(10)
Net cash generated from operating activities	**3,458**	4,960
Cash flows from investing activities		
Interest received	**1**	18
Purchase of property, plant and equipment	**(39)**	(1,231)
Net cash used in investing activities	**(38)**	(1,213)
Cash flows from financing activities		
Interest paid	**(924)**	(934)
Repayments of borrowings	**(348)**	(3,803)
Capital contribution by minority	**250**	205
Net cash used in financing activities	**(1,022)**	(4,532)
Net increase/(decrease) in cash and cash equivalents	**2,398**	(785)
Effect of foreign exchange rate changes	**(1,695)**	(594)
Cash and cash equivalents at beginning of year	**1,007**	2,386
Cash and cash equivalents at end of year	**1,710**	1,007
Analysis of cash and cash equivalents		
Bank and cash balances	**1,710**	1,007
	1,710	1,007

Notes to the Consolidated Financial Statements

For the year ended 30 June 2008

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit G, 12/F., Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 32 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 July 2007. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain buildings which are carried at their fair values.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Statement of compliance *(Continued)*

The preparation of financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currency translation *(Continued)*

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Buildings comprise mainly factories and offices. Buildings are carried at fair values less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Revaluation increases of buildings are recognised in the income statement to the extent that the increases reverse previous revaluation decreases of the same asset. All other revaluation increases are credited to the property revaluation reserve in shareholders' equity. Revaluation decreases that offset previous revaluation increases of the same asset are charged against property revaluation reserve directly in equity. All other decreases are recognised in the income statement. On the subsequent sale or retirement of a revalued building, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained profits.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	Over the lease terms or 30 years, whichever is shorter
Plant and machinery	10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Construction in progress represents buildings under construction and plant and machinery pending for installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of manufactured goods and trading of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Revenues from the provision of gene-testing services are recognised when the services have been provided to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is related to the Group if:

a) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

b) the party is an associate;

c) the party is a joint venture;

d) the party is a member of the key management personnel of the Company or its parent;

e) the party is a close member of the family of any individual referred to in (a) or (d);

f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, prepaid lease payments, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segment reporting *(Continued)*

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on terms mutually agreed between the segments.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL JUDGEMENT AND KEY ESTIMATES

Critical judgement in applying accounting policies

In the process of applying the accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which is dealt with below).

Financial results of 山東特利爾醫藥有限公司 (the "CJV")

In accordance with an agency agreement, the sales and purchase transactions of the CJV were carried out on the CJV's behalf by 山東特利爾營銷策劃有限公司, who holds 20% of the ownership interest in the CJV. The financial statements have been prepared on the basis that those sales and purchase for the year ended 30 June 2008 have been included in the Group's current year results. In view of the various terms stipulated in the agency agreement, the Directors regard such accounting treatments as appropriate.

4. CRITICAL JUDGEMENT AND KEY ESTIMATES *(Continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

b) Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customers collection issues that have been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

c) Allowance for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realizable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete items.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollar functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 30 June 2008 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, management has delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. All financial liabilities of the Group are matured within 1 year.

d) Interest rate risk

If interest rates during the year had been 1% lower/higher with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$6,741,000 (2007: approximately HK$6,129,000) lower/higher, arising mainly as a result of lower/higher interest expense on bank borrowings.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

6. TURNOVER

The Group's turnover is as follows:

	2008	2007
	HK$'000	HK$'000
Manufacturing and distribution of pharmaceutical products	**310,515**	83,111
Provision of gene-testing services	**6,526**	–
	317,041	83,111

7. OTHER INCOME

	2008	2007
	HK$'000	HK$'000
Interest income	**1**	18
Sundry income	**70**	88
	71	106

In its 2007 interim report, the Group recognised an other income of approximately HK$14,105,000 mainly arising from the forfeitures of certain trade payables, other payables and long-term liabilities. The Directors reasonably expected that such accounting treatment was proper in the condensed consolidated financial statements for the six months ended 31 December 2007. However, due to the change of estimate, the Directors concluded that such income should not be included in the consolidated financial statements for the year ended 30 June 2008.

8. SEGMENT INFORMATION

Primary reporting format – business segments

The Group is principally engaged in the manufacturing and distribution of pharmaceutical products and the provision of gene-testing services. An analysis of the Group's financial performance and position by business segments, namely 'Manufacturing and distribution', 'Provision of gene-testing services' and 'Corporate and others' is as follows:

	Manufacturing and distribution		Provision of gene-testing services		Corporate and others		Total	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Years ended 30 June 2008 and 2007								
Turnover	**310,515**	83,111	**6,526**	–	**–**	–	**317,041**	83,111
Segment results	**(5,869)**	(3,208)	**949**	–	**(3,750)**	(572)	**(8,670)**	(3,780)
Other income							**71**	106
Loss from operations							**(8,599)**	(3,674)
Finance cost							**(59,947)**	(60,457)
Loss before tax							**(68,546)**	(64,131)
At 30 June 2008 and 2007								
Segment assets	**46,902**	45,465	**6,526**	–	**87**	89	**53,515**	45,554
Segment liabilities	**60,954**	52,484	**5,577**	–	**–**	–	**66,531**	52,484
Unallocated liabilities							**775,454**	711,373
Total liabilities							**841,985**	763,857
Other segment information:								
Capital expenditure	**39**	1,231	**–**	–	**–**	–	**39**	1,231
Depreciation	**2,837**	2,711	**–**	–	**–**	–	**2,837**	2,711
Amortisation	**241**	218	**–**	–	**–**	–	**241**	218
Deficit/(surplus) on revaluation of buildings recognised directly in equity	**(1,135)**	375	**–**	–	**–**	–	**(1,135)**	375

8. SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

Over 90% of the Group's revenue and assets are derived from customers and operations based in the People's Republic of China (the "PRC") and accordingly, no further analysis of the Group's geographical segments is disclosed.

9. FINANCE COST

	2008	2007
	HK$'000	HK$'000
Interest on bank loans	**59,947**	60,457

10. INCOME TAX EXPENSE

	2008	2007
	HK$'000	HK$'000
Current tax – Overseas		
Provision for the year	**33**	10

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2008 (2007: Nil) as the Group did not generate any assessable profits arising in Hong Kong during the year.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the loss before tax is as follows:

	2008	2007
	HK$'000	HK$'000
Loss before tax	**(68,546)**	(64,131)
Tax at the domestic income tax rate of 17.5%	**(11,996)**	(11,223)
Tax effect of expenses that are not deductible	**12,013**	11,228
Effect of difference in tax rates of subsidiaries operating in other jurisdictions	**16**	5
	33	10

11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2008	2007
	HK$'000	HK$'000
Depreciation	**2,837**	2,711
Directors' emoluments	**180**	257
Operating lease charges of land and buildings	**552**	218
Auditor's remuneration (Note a)	**780**	–
Cost of inventories sold	**303,504**	79,151
Loss on written-off of property, plant and equipment	**277**	–
Staff costs including directors' emoluments		
Salaries, bonus and allowances	**3,002**	1,495

a) Auditor's remuneration for the year ended 30 June 2007 is born by Best Champion Holdings Limited.

12. DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

The emoluments of each Director were as follows:

	Fee	**Salaries and allowances**	**Discretionary bonus**	**Share-based payments**	**Retirement benefit scheme contributions**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Name of Directors						
Chiu Koon Shou, Victor	**180**	**–**	**–**	**–**	**–**	**180**
Tai Kai Hing (note b)	**–**	**–**	**–**	**–**	**–**	**–**
Chung Wai Man (note b)	**–**	**–**	**–**	**–**	**–**	**–**
Total for 2008	**180**	**–**	**–**	**–**	**–**	**180**
Lo Wah Wai, Lowell (note a)	77	–	–	–	–	77
Chiu Koon Shou, Victor	180	–	–	–	–	180
Tai Kai Hing (note b)	–	–	–	–	–	–
Chung Wai Man (note b)	–	–	–	–	–	–
Total for 2007	257	–	–	–	–	257

12. DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS *(Continued)*

Notes:

a) Resigned on 4 December 2006

b) Appointed on 23 March 2007

The five highest paid individuals in the Group during the year included 1 (2007: 2) Director whose emolument is reflected in the analysis presented above. The emoluments of the remaining 4 (2007: 3) individuals are set out below:

	2008 **HK$'000**	2007 HK$'000
Basic salaries and allowances	**122**	48
Discretionary bonus	**–**	–
Retirement benefit scheme contributions	**–**	–
	122	48

The emoluments fell within the following band:

	Number of individuals	
	2008	2007
Nil – HK$1,000,000	**4**	3

During the year, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

13. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

14. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss for the year attributable to equity holders of the Company included a loss of approximately HK$62,095,000 (2007: approximately HK$59,972,000) which has been dealt with in the financial statements of the Company.

15. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately HK$68,621,000 (2007: approximately HK$64,150,000) and the weighted average number of ordinary shares of 217,574,240 (2007: 217,574,240 as adjusted to reflect the share consolidation) in issue during the year.

Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the two years ended 30 June 2008.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost or valuation					
At 1 July 2006	14,184	21,924	641	–	36,749
Additions	839	158	–	234	1,231
Exchange differences	846	1,307	39	–	2,192
At 30 June 2007 and 1 July 2007	15,869	23,389	680	234	40,172
Additions	–	20	–	19	39
Written off	–	–	–	(277)	(277)
Exchange differences	1,654	2,441	70	24	4,189
Deficit on revaluation	(2,066)	–	–	–	(2,066)
At 30 June 2008	15,457	25,850	750	–	42,057
Accumulated depreciation					
At 1 July 2006	–	10,504	564	–	11,068
Charge for the year	501	2,132	78	–	2,711
Exchange differences	–	628	33	–	661
Written back on revaluation	(501)	–	–	–	(501)
At 30 June 2007 and 1 July 2007	–	13,264	675	–	13,939
Charge for the year	553	2,278	6	–	2,837
Exchange differences	–	1,382	69	–	1,451
Written back on revaluation	(553)	–	–	–	(553)
At 30 June 2008	–	16,924	750	–	17,674
Carrying amounts					
At 30 June 2008	15,457	8,926	–	–	24,383
At 30 June 2007	15,869	10,125	5	234	26,233

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Buildings HK$'000	**Plant and machinery** HK$'000	**Motor vehicles** HK$'000	**Construction in progress** HK$'000	**Total** HK$'000
The analysis of the cost or valuation at 30 June 2008 of the above assets is as follows:					
At cost	–	25,850	750	–	26,600
At valuation 2008	15,457	–	–	–	15,457
	15,457	25,850	750	–	42,057
The analysis of the cost or valuation at 30 June 2007 of the above assets is as follows:					
At cost	–	23,389	680	234	24,303
At valuation 2007	15,869	–	–	–	15,869
	15,869	23,389	680	234	40,172

The carrying amount of the Group's buildings would have been approximately HK$13,688,000 (2007: approximately HK$12,647,000) had they been stated at cost less accumulated depreciation and impairment losses.

The Group's buildings were revalued at 30 June 2008 on the open market value basis by reference to market evidence of recent transactions and cost of replacement for similar properties by Greater China Appraisal Limited, an independent firm of chartered surveyors.

At 30 June 2008 the carrying amount of property, plant and equipment pledged as security for the Group's bank loans amounted to approximately HK$15,457,000 (2007: approximately HK$15,869,000).

17. PREPAID LEASE PAYMENTS

	2008 HK$'000	2007 HK$'000
Leasehold land in the PRC		
Medium-term lease	**10,609**	9,825
Analysed for reporting purpose as:		
Non-current asset	**10,368**	9,607
Current asset	**241**	218
	10,609	9,825

At 30 June 2008, the carrying amount of prepaid lease payments pledged as security for the Group's bank loans amounted to approximately HK$10,609,000 (2007: approximately HK$9,825,000).

18. INVENTORIES

	2008 HK$'000	2007 HK$'000
Raw materials	**1,022**	355
Finished goods	**4,619**	2,257
	5,641	2,612

19. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

19. TRADE RECEIVABLES *(Continued)*

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2008 **HK$'000**	2007 HK$'000
30 days or less	**5,962**	1,157
31 days to 60 days	**3,499**	1,258
61 days to 180 days	**1,124**	1,077
Over 180 days	**243**	164
	10,828	3,656

As at 30 June 2008, an allowance was made for estimated irrecoverable trade receivables of approximately HK$9,046,000 (2007: approximately HK$9,046,000).

20. BANK AND CASH BALANCES

As at 30 June 2008, the bank and cash balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK$1,662,000 (2007: approximately HK$955,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

21. BANK LOANS

	2008 **HK$'000**	2007 HK$'000
Bank loans	**674,146**	612,871
The borrowings are repayable as follows:		
On demand or within one year	**674,146**	612,871
	674,146	612,871
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(674,146)**	(612,871)
Amount due for settlement after 12 months	**–**	–

21. BANK LOANS *(Continued)*

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	USD	RMB	Total
	HK$'000	HK$'000	HK$'000
2008			
Bank loans	646,524	27,622	674,146
2007			
Bank loans	587,501	25,370	612,871

The average interest rates at 30 June were as follows:

	2008	2007
Bank loans	9%	11%

Bank loans of approximately HK$27,622,000 (2007: approximately HK$25,370,000) are arranged at fixed interest rates and exposed the Group to fair value interest rate risk. Other borrowings of approximately HK$646,524,000 (2007: approximately HK$587,501,000) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

In July 2004, an event of default occurred in respect of a syndicated loan totaling approximately HK$646,524,000 as at 30 June 2008 and such amount has become repayable on demand. The loan was released on 18 July 2008 under the Scheme of Arrangement as mentioned in note 31 (a) to the consolidated financial statements.

22. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2008 **HK$'000**	2007 HK$'000
30 days or less	**7,496**	1,388
31 days to 60 days	**2,413**	1,082
61 days to 180 days	**2,707**	2,950
Over 180 days	**11,983**	10,513
	24,599	15,933

23. ACCRUALS AND OTHER PAYABLES

	2008 **HK$'000**	2007 HK$'000
Accruals and other payables	**17,003**	9,803
Due to deconsolidated subsidiaries	**115,827**	115,827
Due to related companies	**5,936**	5,936
Due to directors of subsidiaries	**1,946**	1,056
Due to a minority shareholder	**1,098**	794
	141,810	133,416

The amounts due to related companies, directors of subsidiaries and minority shareholder are unsecured, non-interest bearing and have no fixed repayment terms.

24. DEFERRED TAXATION

The following are the major deferred tax liabilities recognised by the Group.

	Revaluation of buildings HK$'000
At 1 July 2006	1,427
Charge to equity for the year	126
Exchange differences	84
At 30 June 2007 and 1 July 2007	1,637
Credit to equity for the year	(378)
Exchange differences	171
At 30 June 2008	1,430

25. SHARE CAPITAL

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

	2008 **HK$'000**	2007 HK$'000
Authorized (Note b):		
10,000,000,000 ordinary shares of HK$0.01 each (2007: 4,000,000,000 ordinary shares of HK$0.025 each)	**100,000**	100,000
Issued and fully paid:		
217,574,240 ordinary shares of HK$0.01 each (2007: 2,175,742,400 ordinary shares of HK$0.025 each)	**2,176**	54,394

25. SHARE CAPITAL *(Continued)*

The following is a summary of the above movements in the issued share capital:

	Number of shares issued	Share capital HK$'000
Share capital as at 1 July 2007	2,175,742,400	54,394
Reduction of par value from HK$0.025 to HK$0.001 (Note a)	–	(52,218)
	2,175,742,400	2,176
Share consolidation of every 10 shares into 1 new share (Note a)	(1,958,168,160)	–
Share capital as at 30 June 2008	217,574,240	2,176

a) By virtue of a Special Resolution and with the sanction of an Order of the Grand Court of the Cayman Islands dated 20 June 2008, the share capital was reduced from an authorised share capital of HK$100,000,000 and issued share capital of HK$54,393,560 divided into 4,000,000,000 and 2,175,742,400 shares respectively of HK$0.025 each to an authorised and issued share capital of HK$2,175,742 divided into 217,574,240 shares of HK$0.01 each by ways of the following:

   (i) by reducing the par value of all issued and un-issued shares in the Company from HK$0.025 to HK$0.001 each;

   (ii) by cancelling the entire existing un-issued share capital of the Company of 1,824,257,600 ordinary shares; and

   (iii) by consolidating every 10 shares of the Company into 1 new share.

   The above capital restructuring became effective on 27 June 2008 upon the filing of the court order with the Registrar of Companies of the Cayman Islands.

b) By way of a special resolution in the extraordinary general meeting held on 20 June 2008, the Company's authorised share capital was increased from HK$2,175,742 to HK$100,000,000 by creation of 9,782,425,760 new shares of HK$0.01 each, immediately upon the capital reduction, the capital cancellation and share consolidation becoming effective.

26. RESERVES

a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

b) Company

	NOTE	Share premium account HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2006		385,249	104,915	(1,081,498)	(591,334)
Loss for the year	14	–	–	(59,972)	(59,972)
At 30 June 2007		385,249	104,915	(1,141,470)	(651,306)
At 1 July 2007		385,249	104,915	(1,141,470)	(651,306)
Loss for the year	14	–	–	(62,095)	(62,095)
Reduction of share capital	25	–	–	52,218	52,218
At 30 June 2008		385,249	104,915	(1,151,347)	(661,183)

c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law (2007 Revision) of the Cayman Islands, subject to the Company's memorandum and articles of association, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Statutory surplus reserve

Subsidiaries of the Company established in the PRC are required to transfer 10% of their profit after tax (after offsetting prior years losses) calculated in accordance with the PRC accounting regulations to the statutory surplus reserve until the reserve reaches 50% of their respective registered capital, upon which any further appropriation will be at the directors' recommendation. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.

26. RESERVES *(Continued)*

c) Nature and purpose of reserves *(Continued)*

(iii) Capital reserve

Capital reserve represents the difference between the nominal value of the share/registered capital of the subsidiaries acquired, pursuant to the reorganisation scheme which rationalising the structure of the Group for the listing of the Company's shares on the Stock Exchange and completed on 26 July 2002, over the nominal value of the share capital of the Company issued in exchange therefore.

(iv) Property revaluation reserve

The property revaluation reserve has been set up and are dealt with in accordance with the accounting policies adopted for buildings in note 3 to the financial statements.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the financial statements.

27. MAJOR NON-CASH TRANSACTION

During the year ended 30 June 2008, the bank borrowings was increased by approximately HK$59,023,000 (2007: approximately HK$59,523,000) in respect of overdue bank loan and interest.

28. CONTINGENT LIABILITIES

As at 30 June 2008, the Group had contingent liabilities of about HK$113 million in respect of unpaid service fees. It was expected that all indebtedness of the Company incurred on or before 27 June 2008 would be compromised and discharged in full through the scheme of arrangement which became effective on 18 July 2008.

Save as disclosed above, the Directors were not aware of any significant contingent liabilities of the Group as at the balance sheet date.

29. LEASE COMMITMENTS

At 30 June 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2008 HK$'000	2007 HK$'000
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
– within one year	312	273
– in the second to fifth year inclusive	–	262
	312	535

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for an average term of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

30. OTHER COMMITMENTS

On 2 May 2008, a subsidiary of the Group entered into an exclusive distribution agreement with China United Gene Health Industry Limited ("China United") to act as the sole agent for the provision of gene-testing services in Hong Kong. Pursuant to the terms of the agreement, the subsidiary was required to pay a non-interest bearing deposit of HK$40,000,000 to China United and the said deposit was paid by the Group on 12 August 2008.

31. EVENTS AFTER THE BALANCE SHEET DATE

a) Completion of Group Restructuring and the Resumption of Trading of Shares of the Company

During the year, the Company has endeavoured to complete the restructuring which were conditionally allowed to proceed by the Stock Exchange in order to resume the trading of the Company's shares. Details of the suspension of trading of the Company's shares, the appointment of the provisional liquidators and the resumption proposal have been disclosed in the 2007 annual report of the Company and the circular dated 28 May 2008. Set out below are the details of the restructuring being conducted after the balance sheet date.

On 9 July 2008, the Company issued and allotted a sum of 5,864,679,791 new shares to Best Champion Holdings Limited, its concert parties and other public investors for a consideration of HK$149,941,703. On the same date, all the conditions imposed by Listing Division were fully complied with.

31. EVENTS AFTER THE BALANCE SHEET DATE *(Continued)*

a) Completion of Group Restructuring and the Resumption of Trading in Shares of the Company *(Continued)*

Following the issue of the new shares of the Company, both the winding up petition against the Company was dismissed and the provisional liquidators of the Company were discharged on 11 July 2008 pursuant to a court order dated 8 July 2008.

A scheme of arrangement (the "Scheme") became effective on 18 July 2008. Pursuant to the Scheme, three subsidiaries of the Group, namely First Sight Technology Group Limited, Boomtown Ventures Limited, Far East Global Group Limited were transferred to the nominee of the scheme administrators on 11 July 2008. The three subsidiaries being transferred were dormant during the year ended 30 June 2008. The Group recognised a gain of approximately HK$121,827,000 arising from the release of debts upon transferring the three subsidiaries.

In addition, a sum of HK$25,000,000 was paid to the scheme administrators, together with any other proceeds from the disposal of the Scheme assets to settle and discharge all the liabilities of the Company incurred on or before 27 June 2008.

Immediately after the completion of the restructuring, the net assets value of the Group was approximately HK$106,547,000. Trading in shares of the Company on the Stock Exchange was resumed on 18 July 2008.

b) Establishment of a new Wholly-owned Subsidiary and an Exclusive Distribution Agreement

On 24 July 2008, the Company established a wholly-owned subsidiary namely as Bestdone Limited ("Bestdone"). Bestdone is principally engaged in the provision of gene-testing services. On 20 August 2008, Bestdone entered into an exclusive distribution agreement with China United to act as the sole agent for the provision of gene-testing services in the Asia Pacific region (excluding the PRC, Hong Kong and Taiwan). Pursuant to the terms of the agreement, the subsidiary was required to pay a non-interest bearing deposit of HK$30,000,000 to China United and the said deposit was paid by the Group on 3 September 2008.

c) Suspension of operation of 上海德勝科技集團(安慶)制藥有限公司

In order to focus on the Group's efforts in the restructuring of the operation of上海德勝科技集團(安慶)制藥有限公司 (Shanghai Desheng Technology Group (Anqing) Pharmaceutical Company Limited), "Desheng Anqing"), the Group has suspended the business operation of Desheng Anqing since 1 August 2008.

32. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing Direct	Indirect	Principal activities
Far East Global Group Limited	British Virgin Islands	1,001 ordinary shares of US$1 each	100%	–	Investment holding
First Sight Technology Group Limited	British Virgin Islands	1 ordinary share of US$1	100%	–	Investment holding
Boomtown Ventures Limited	British Virgin Islands	1 ordinary share of US$1	100%	–	Investment holding
上海德勝科技集團(安慶)製藥有限公司	People's Republic of China	Registered capital of RMB10M	–	90%	Manufacturing and distribution of pharmaceutical products
First Jumbo Trading Limited	British Virgin Islands	1 ordinary share of US$1	–	100%	Investment holding
Clear Rich International Limited	British Virgin Islands	1 ordinary share of US$1	–	100%	Investment holding
山東特利爾醫藥有限公司	People's Republic of China	Registered capital of RMB2.1M	–	80%	Distribution of pharmaceutical products
Lucky Full Holdings Limited	British Virgin Islands	1 ordinary share of US$1	100%	–	Investment holding
Hong Kin Holdings Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Investment holding
Main Wealth Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Provision of gene-testing services

上海德勝科技集團(安慶)製藥有限公司 is a sino foreign equity joint venture established in the PRC. 山東特利爾醫藥有限公司 is a sino foreign cooperative joint venture established in the PRC.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 October 2008.

Corporate Information

BOARD OF DIRECTORS

Chairman

Tai Kai Hing

Executive Directors

Tai Kai Hing
Choi Suk Ching

Independent Non-Executive Directors

Chung Wai Man
Chiu Koon Shou, Victor
Leung Wai Cheung

AUDITORS

ANDA Certified Public Accountants
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Hong Kong

COMPANY SECRETARY

Chan Sek Kwan, Rays

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9-23 Shell Street
North Point, Hong Kong

BRANCH REGISTRAR IN HONG KONG

Tricor Tengis Limited

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited