

RESULTS

For the six months ended 30th June 2001, the Group's turnover increased by approximately 128% to approximately HK\$14.6 million as compared to the corresponding period for 2000. The increase was mainly from the trading of securities and the revenues generated by a newly-acquired subsidiary in processing and storage of cord blood business. On the other hand, due to the increase in the administrative expenses, including marketing expenses and goodwill amortization of the newly-acquired subsidiary, the Group recorded a loss attributable to shareholders of approximately HK\$4.5 million as compared to a profit of approximately HK\$2.4 million for the corresponding period in 2000.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend in respect of the period (2000: Nil).

BUSINESS REVIEW

The Group was previously engaged in property investment. Following the change of major shareholder in May 2000, the new board of directors has redefined the business directions of the Group into biotechnology area.

Cord Blood Storage

On 22nd January 2001, the Company acquired all the issued share capital of Cell Therapy Technologies Centre Limited ("CTTC"), a private Hong Kong biotechnology company established in 1996. The consideration of HK\$30,000,000 was settled by the allotment and issue of 100,000,000 new shares of HK\$0.10 each by the Company at an issue price of HK\$0.30 per share.

CTTC principally involves in the analysis, storage, matching and use of umbilical cord blood stem cells and the research and commercial development of stem cell therapeutic and scientific applications, including the treatment of leukemia, lymphoma, myeloma, gynaecological cancers, genetic diseases and blood and immune system disorders.

CTTC is the owner of the trademark “cryoLIFE” and offers expectant parents an once-in-a-lifetime opportunity to collect and store their newborns’ umbilical cord blood stem cells for potential life-saving use. CTTC is presently the largest and most successful privately-owned cord blood-banking centre in Asia. It achieved ISO9002 certification for our laboratory in 1999 ensuring our top quality in processing and storage of your cord blood sample.

CTTC has moved to a 5,000 square feet laboratory and main office in Delta House in Siu Lek Yuen in December 2000 and a new CTTC Service Centre in Wo Fu Commercial Building located in Mongkok, Kowloon was opened in June 2001.

Property Investment

As mentioned in the 2000 annual report, part of the rental for the shopping mall situated at the second floor of GITIC plaza, PRC, which was received by a former fellow subsidiary company on behalf of the Company is yet to be recovered. In June 2001, the Group entered into a new property management arrangement with the former fellow subsidiary company with effect from 1st January 2001. The Group continues to negotiate with this company for the settlement of this amount receivable by the Group.

On 29th March 2001, the Group completed the purchase of 29th floor of GITIC Centre and the naming right of GITIC Centre, Wanchai, Hong Kong (“GITIC Centre”) at the price of HK\$3,000,000.

As at 30th June 2001, 27th, 28th and 29th floors of GITIC Centre, were the only property investments of the Group in Hong Kong. The 28th and 29th floor are now used as the Company’s office, whereas all the units of the 27th floor have been leased.

Placing of Existing Shares and Subscription of New Shares

On 6th June 2001, 116,500,000 existing shares of HK\$0.10 each were placed by Sunberry Investments Limited (“Sunberry”), a major shareholder of the Company, to independent investors at a price of HK\$0.20 per share. On 18th June 2001, 116,500,000 new shares of HK\$0.10 each were allotted and issued to Sunberry at a price of HK\$0.20 per share.