The Board announces that on 7th April 2005, Guangdong Techpool has entered into a long-term raw pharmaceuticals purchase agreement with Changzhou Techpool for a term of three years, pursuant to which, Guangdong Techpool will in priority purchase raw pharmaceuticals manufactured by Changzhou Techpool provided that the goods supplied can meet the standard and requirements imposed by Guangdong Techpool.

SI United, a subsidiary of the Company, owns a 51% interest in Guangdong Techpool. Guangzhou Bopu is a substantial shareholder of Guangdong Techpool and is accordingly a connected person of the Company. As Changzhou Techpool is a subsidiary of Guangzhou Bopu, hence, pursuant to the Listing Rules, Changzhou Techpool is deemed as a connected person of the Company.

Pursuant to the Listing Rules, the Purchase Transactions constitute continuing connected transactions of the Company. The maximum total purchases on an annual basis is not expected to exceed RMB65,000,000 (equivalent to approximately HK$61,320,755) which was estimated by reference to the projected turnover of Guangdong Techpool and the historical transaction amount. The maximum total purchases on an annual basis are not expected to exceed RMB50,120,000 (equivalent to approximately HK$47,280,000). Payment shall be made within three months upon the products having been examined and accepted by Guangdong Techpool. The maximum total purchases on an annual basis is not expected to exceed RMB65,000,000 (equivalent to approximately HK$61,320,755) which was estimated by reference to the projected turnover of Guangdong Techpool and the historical transaction amount. The maximum total purchases on an annual basis are not expected to exceed RMB50,120,000 (equivalent to approximately HK$47,280,000). Payment shall be made within three months upon the products having been examined and accepted by Guangdong Techpool.

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The Board (including the Independent Non-executive Directors) considers that the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interests of the shareholders of the Company as a whole.

The Board (including the Independent Non-executive Directors) considers that as Changzhou Techpool is among the few suppliers in Mainland China that can satisfy Guangdong Techpool’s stringent requirements for raw pharmaceuticals such as on quality, delivery and cost, the entering into a long-term raw pharmaceuticals purchase agreement with Changzhou Techpool will help Guangdong Techpool maintain the stability of its product quality and this single source of supply would help to maintain the confidentiality of the manufacturing formula.

Pursuant to the Agreement, the Purchase Transactions will be conducted on normal commercial terms. The Board (including the Independent Non-executive Directors) considers that the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interests of the shareholders of the Company as a whole.

GENERAL INFORMATION

The Company and its subsidiaries are engaged in the principal businesses of infrastructure facilities, medicine, consumer products and information technology. Changzhou Techpool is principally engaged in research, development, manufacture and sale of raw bio-pharmaceuticals and finished pharmaceuticals.

By Order of the Board
Hong Kong, 7th April 2005

Wong Mei Ling, Marina
Company Secretary

Dr. Lo Ka Shui, Prof. Wong Chia-Wei and Mr. Leung Pak To, Francis

* The English name is an informal English translation of its official Chinese name.