This summary aims to give you an overview of the information contained in this prospectus. Because this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Shares.

BUSINESS

The Group is engaged in the production and sale of DCPTA-based regulatory-type plant growth regulators (or PGRs) in the PRC. It is currently the only producer of regulatory-type PGRs in the PRC.

At present, two types of PGRs have been developed and are in use in the agricultural industry, namely, hormone-type PGRs and regulatory-type PGRs. Hormone-type PGRs serve to provide additional growth hormones to, or to stimulate hormone activities and/or hormone production within, a plant, thereby increasing its quantity in terms of weight or size or improving its quality. However, hormone-type PGRs are subject to the main limitation that each type of hormone-type PGRs only achieves one singular effect on a plant (as, for instance, increasing the size of a plant or its fruits but not, at the same time, improving its quality). In some cases, the application of hormone-type PGRs may affect plant quality or have other side effects.

Regulatory-type PGRs serve to influence or regulate the activities and interaction of enzymes, nuclei acid, protein and other substances that constitute the micro-structure of plant cells, thereby bringing about an overall improvement effect on the plant, including increase in quantity, improvement to quality, as well as improvement to immunity to disease and tolerance to drought and adverse temperatures. Regulatory-type PGRs have been developed largely to overcome the limitations of hormone-type PGRs. They are more technologically advanced and hence, are an improved product compared to hormone-type PGRs.

While the Group initially produced a general purpose regulatory-type PGR that could be applied generally to agricultural produce, it now produces two specific purpose regulatory-type PGRs, one for vegetables and the other for fruits. These specific purpose PGRs are improved products developed from the general purpose PGR. In the year ended 30th June, 1999, sales of the PGR for vegetables and for fruits accounted for approximately 49.4% and 50.6% respectively of the Group's turnover. The Group is in the final stages of developing two additional regulatory-type PGRs, one for tobacco and the other for rice, both of which are expected to be introduced to the market in early 2000.

The Group's production facility is located in Xiamen, Fujian Province, PRC. It is equipped with two production lines which are owned and operated by the Group's subsidiaries, Xiamen Genben and Fuzhou Topmart respectively. The production line operated by Xiamen Genben commenced commercial production in July 1997, while the production line operated by Fuzhou Topmart commenced commercial production in September 1999. The Group has a total annual production capacity of 560 tonnes of PGRs.

The Directors consider that there are certain risks involved in the Group's business which are set out in the section headed "Risk Factors" of this prospectus. These risks can be categorised into (i) risks relating to the Group; (ii) risks relating to the industry; (iii) risks relating to the PRC; and (iv) risks relating to the Share Offer, which are summarised as follows:

Risks relating to the Group

- Dependence on a major customer
- Protection of confidential technical knowhow
- Importance of continuing research and development
- Use of "超大" trade mark
- Dependence on key personnel
- Product liability risk
- Year 2000 compliance

Risks relating to the industry

- Product classification
- Natural disasters and extreme weather conditions

Risks relating to the PRC

- Political and economic factors
- Government control of currency conversion and exchange rate risks
- PRC legal system
- China's entry to the World Trade Organisation

Risks relating to the Share Offer

- Asian economic conditions
- Statistics

PRINCIPAL STRENGTHS OF THE GROUP

The Directors believe that the principal strengths of the Group are as follows:

1. *The Only Producer of Regulatory-Type PGRs in China with Significant Expansion Potential*

The Group is currently the only producer of regulatory-type PGRs in the PRC. The more technologically advanced nature of its regulatory-type PGRs compared to hormone-type PGRs, in the Directors' view, provides the Group with its key competitive advantage. Research information compiled by 福建省石油化學工業廳 (the Department of Petroleum and Chemical Industry of Fujian Province) in 1999 estimated that the total annual potential consumption volume of PGRs in the PRC could reach 160,000 tonnes when the actual total production volume in 1998 only amounted to less than 10% of such potential consumption volume. This information suggests that other than developing the Group's market among existing hormone-type PGR customers, there is also significant untapped market potential among farmers who do not currently use any kind of PGR.

2. *High Profit Margin*

In each of the two years ended 30th June, 1998 and 1999, the Group had an operating profit margin before taxation and minority interests of approximately 44%. This is calculated after taking into account sales and promotion expenses which are expected to be relatively higher at the initial stages of the Group's development. The Group has full discretion in determining product prices in the light of market conditions. With its low cost structure, the Group has a significant degree of flexibility in determining its market strategy in the event of increased competition or unforeseeable market changes in the future.

3. *Continuing Research and Development to Maintain Competitive Advantage Over Competitors*

The Directors fully understand the importance of safeguarding the confidentiality of the Group's production knowhow as well as placing continuous emphasis on research and development to improve product quality and to develop a more diversified range of products. The Group has reached the final stages of the development of two new regulatory-type PGRs, one for tobacco and the other for rice. These products are expected to be launched in the market in early 2000. The Group has also commenced the development of other new regulatory-type PGRs for fungi, flowers, corns and oil seeds, each of which is expected to take over two years from initial research and development to commencement of commercial production. The Group believes that the continuous consolidation of its leading position in technology and research and development is key to further strengthening its competitive advantages over its competitors.

4. *Extensive Sales Network and Well Recognised Brand Name*

All of the Group's products are sold under the "超大" trade mark and brand name which are owned by the Chaoda Group. The Chaoda Group is one of the leading suppliers of organic fertilisers in the PRC and its "超大" trade mark and brand name are well-established in the PRC agricultural industry, and such market recognition has benefitted, and the Directors expect will continue to benefit, the Group's sales. The Chaoda Group is also the Group's largest customer as it is able to utilise its well-established distribution network that has direct access to agricultural communities throughout the PRC for the distribution of the Group's products. The Group also sells its products to various provincial agricultural resources companies and provincial agricultural technology promotion centres, all of which are government operated entities serving farmers throughout the PRC. The Directors believe that the combination of the Chaoda Group, the provincial agricultural resources companies and the provincial agricultural technology promotion centres provides the Group with a strong and comprehensive sales and distribution network throughout China.

5. *Government Awards and Support*

Since their initial stages of development, the Group's products have received various awards presented by governmental or industry bodies. In September 1997, the Group's DCPTA-based regulatory-type PGR was promoted by the State Science and Technology Commission on a nationwide basis and listed under '九五' 國家科技成果重點推廣計劃 (the National Priority Promotion Programme of Scientific Achievement of the ninth Five-Year Plan). In August 1998, 農業部全國農技推廣服務中心 (the National Agricultural Technology Promotion Service Centre of the Ministry of Agriculture) also promoted the Group's products to all agricultrual technology centres throughout China. To the knowledge of the Directors, the Group's products have, so far, been the only PGR products promoted by 農業部全國農技推廣服務中心 (the National Agricultural Technology Promotion Service Centre of the Ministry of Agriculture) in recent years.

6. *Strong Management Team*

The Group has an experienced management team, key members of whom have extensive experience and technical expertise in the PRC PGR industry. Most of the key management members have been involved with the Group's operations since the early stages of its establishment.

FUTURE PLANS AND BUSINESS OBJECTIVES

Overall business objectives

The Group's overall business objectives are:

— to maintain its position as the leading producer of regulatory-type PGRs in the PRC; and

— to build upon the success of its two specific purpose PGRs for vegetables and for fruits and to further develop new specific purpose PGRs for a more diversified range of agricultural produce.

In 1998, there were over 100 producers of hormone-type PGRs in the PRC, while the Group was, and currently remains to be, the only producer of regulatory-type PGRs. In that year, the total production volume of PGRs in the PRC was approximately 15,000 tonnes, and the Group produced 180 tonnes of regulatory-type PGRs during the year ended 30th June, 1999. According to research information compiled by 福建省石油化學工業廳 (the Department of Petroleum and Chemical Industry of Fujian Province) in 1999, it was estimated that the total annual potential consumption volume of PGRs in the PRC could reach 160,000 tonnes. Hence, the Directors believe that there is significant market potential for regulatory-type PGRs both as a substitute product for hormone-type PGRs among existing users and as a new product among farmers who do not currently use any kind of PGRs.

The Directors consider that the key competitive strength of the Group lies in the more technologically advanced nature of its products. The technical knowhow that is key to the production of the Group's products has been developed by Mr. Wu over a period of more than four years from early 1992. To the knowledge of the Directors, none of the producers of hormone-type PGRs in the PRC currently possesses the technical knowhow required for the production of regulatory-type PGRs. The Group currently faces a minimal degree of competition from imported PGRs as the import of PGRs into the PRC is subject to an import tariff of 13%. While the Group may face increased competition if such import tariff were to be abolished or significantly reduced, any imported product would still first have to comply with the PRC government's product registration and testing requirements and it may take at least two years before such product can be sold in the PRC. The Directors also believe that even if the prices of imported PGRs were to be lowered in the future, there would be sufficient cost margin for the Group's products to maintain their price competitiveness.

The most important part of the Group's production technology relates to the production of the base chemical of DCPTA from which specific purpose PGRs for different agricultural produce are produced. In comparison, the production of DCPTA requires a higher level of technical knowhow than the production of different types of specific purpose PGR using DCPTA as a base chemical. Hence, in terms of technology development, the Group has already completed the more critical part of the development of its production knowhow. This enables the Group to focus on the development of new specific purpose PGRs for a more diversified range of agricultural produce.

As its products are still relatively new to the PRC market, the Group will also continue to focus on increasing sales promotion and market education, particularly in relation to new products that are expected to be launched by the Group.

A summary of the specific business objectives of the Group for the remainder of the year ending 30th June, 2000 and the two financial years thereafter is set out below:

— the Group will complete the development of two new regulatory-type PGRs, one for rice and the other for tobacco, and commence commercial production of these products in March 2000;

— the Group expects to complete the acquisition of a vacant site of approximately 20,000 sq.m. at Fuzhou Cangshan Hi-Tech Science Park in Fuzhou, Fujian Province shortly after the completion of the Share Offer and to commence construction of a new production facility for Fuzhou Topmart on such site in December 1999 and to complete such construction in February 2000;

— the Group will establish four new production lines each having an annual production capacity of 280 tonnes of PGRs at the new production facility at Fuzhou, of which one will be used for the production of PGR for fruits, one for the production of PGR for tobacco and the remaining two for the production of PGR for rice, with all of them expecting to commence commercial production in March 2000;

— the Group will employ approximately 100 additional sales staff by the end of the year ending 30th June, 2000;

— the Group expects to complete the development of two new PGRs, one for fungi and the other for flowers, and to establish two new production lines at the Fuzhou production facility for the production of these new products, with commercial production expecting to commence in the first half of 2001; and

— the Group expects to complete the development of two new PGRs, one for corn and the other for oil seed, and to establish two more new production lines at the Fuzhou production facility for the production of these new products, with commercial production expecting to commence in the first half of 2002.

REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS

The net proceeds from the Share Offer, after deducting related expenses, are estimated to be approximately HK$79.4 million based on the Issue Price of HK$1.20 per Share. The Company intends to apply the net proceeds in the following manner:

— approximately HK$15,000,000 for payment of the cash consideration of RMB8,400,000, payment of land use rights fees and other fees and taxes charged by the relevant PRC governmental authorities in respect of the acquisition of the land use rights to a site of approximately 20,000 sq.m. at Fuzhou Cangshan Hi-Tech Science Park in Fuzhou, Fujian Province from 福州市科技園區倉山管理辦公室 (Fuzhou Cangshan Hi-Tech Science Park Management Office) of East Wing, Lin Ce Xu Complex, Bai Hu Ting, Cangshan District, Fuzhou, Fujian Province (an independent third party) and financing the construction of a new production facility comprising a production plant, a warehouse and an office building on such site;

— approximately HK$20,000,000 for the establishment of four new production lines at the new production facility to be constructed in Fuzhou, of which one will be used for the production of PGR for fruits, one for the production of PGR for tobacco and the remaining two for the production of PGR for rice;

— approximately HK$10,000,000 for the research and development of four new regulatory-type PGRs for fungi, flowers, corn and oil seeds;

— approximately HK$10,000,000 for advertising and promotion of new products as well as expanding the sales force; and

— the balance is expected to be used as general working capital of the Group.

AUDITED TRADING RECORD

The following is a summary of the audited combined results of the Group for each of the two years ended 30th June, 1999 ("Trading Record Period"), extracted from the accountants' report, the text of which is set out in Appendix I to this prospectus. The audited combined results of the Group include the consolidated results of the Company and its subsidiaries as if the Group's current existing structure had been in place throughout the Trading Record Period.

For further details on how the audited trading record of the Group was prepared, please refer to the section headed "Financial Information — Audited Trading Record" in this prospectus.

	Years ended 30th June,	
	1998	**1999**
	HK$'000	*HK$'000*
Turnover	4,534	21,065
Cost of sales	(1,975)	(5,961)
Gross profit	2,559	15,104
Selling, general and administrative expenses	(561)	(5,838)
Profit before taxation	1,998	9,266
Taxation	—	(286)
Profit after taxation but before minority interests	1,998	8,980
Minority interests	(746)	(3,458)
Profit attributable to shareholders	1,252	5,522
Dividends	—	4,000
Earnings per share[1]	0.72 cents	3.16 cents

Note 1: The calculation of earnings per Share is based on the combined profit after taxation and minority interests of the Group for each of the two years ended 30th June, 1998 and 1999 and a total of 175,000,000 Shares in issue after the Capitalisation Issue during such years.

PROFIT FORECAST FOR THE YEAR ENDING 30TH JUNE, 2000

Combined profit after taxation and minority interests but before extraordinary items *(Note 1)*	not less than HK$28.2 million
Earnings per Share	
— pro forma fully diluted *(Note 2)*	HK$0.119
— weighted average *(Note 3)*	HK$0.128

Notes:

1. The bases and assumptions on which the forecast combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending 30th June, 2000 (the "Forecast") has been prepared are set out in Appendix II to this prospectus. The Directors are not aware of any extraordinary item which has arisen or is likely to arise during the year ending 30th June, 2000.

2. The calculation of the forecast earnings per Share on a proforma fully diluted basis is based on the forecast combined profit after taxation and minority interests but before extraordinary items for the year ending 30th June, 2000 and on the assumption that the Company had been listed since 1st July, 1999 and 250,000,000 Shares were in issue during that year. The calculation does not take into account any Shares which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme or the exercise by the Directors of the general mandate granted to them to allot and issue Shares. The forecast combined profit after taxation and minority interests but before extraordinary items for the year ending 30th June, 2000 has been adjusted for the purposes of this calculation to take into account the interest income that would have been earned if the estimated net proceeds of the Share Offer were received on 1st July, 1999 based on an interest rate of 4.5% per annum, net of tax, between that date and the expected date of receipt of the net proceeds of the Share Offer.

3. The forecast weighted average earnings per Share is based on the forecast combined profit after taxation and minority interests but before extraordinary items for the year ending 30th June, 2000 and on the weighted average number of 219,877,049 Shares expected to be in issue during that year. The calculation assumes that (a) no Shares will be issued pursuant to the exercise of options granted under the Share Option Scheme or the exercise by the Directors of the general mandate granted to them to allot and issue Shares, (b) no Shares will be repurchased by the Company and (c) the Shares issued pursuant to the Share Offer were issued at the Issue Price.

SHARE ISSUE STATISTICS

Issue Price per Share . . . . HK$1.20

Market capitalisation *(Note 1)* . . . . HK$300 million

Prospective price/earnings multiples
— pro forma fully diluted *(Note 2)* . . . . 10.1 times
— weighted average *(Note 3)* . . . . 9.4 times

Adjusted net tangible asset value per Share *(Note 4)* . . . . HK$0.346

Notes:

1. The calculation of market capitalisation is based on the Issue Price and 250,000,000 Shares in issue immediately after the completion of the Share Offer and the Capitalisation Issue but takes no account of (a) any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme or (b) the exercice by the Directors of the general mandate granted to them to allot and issue Shares, or (c) any Shares which may be repurchased by the Company.

2. The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the forecast earnings per Share on a pro forma fully diluted basis of approximately HK$0.119 and on the Issue Price.

3. The calculation of the prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis of HK$0.128 and on the Issue Price.

4. The adjusted net tangible asset value per Share has been arrived at after the adjustments referred to in the section headed "Financial Information — Adjusted Net Tangible Assets" in this prospectus and on the basis of a total of 250,000,000 Shares in issue immediately following the completion of the Share Offer at the Issue Price and the Capitalisation Issue.

There are risks associated with any investment. Some of the particular risks in investing in the Shares are set out in the section "Risk Factors". You should read this section carefully before you decide to invest in the Shares.