



Chairman's Statement

Mr. Wong Yin Sen,
Chairman



On behalf of the board of Directors of Golden Dragon Group (Holdings) Limited (the "Company") (the "Board"), I am pleased to present this Annual Report for the year ended 31 December, 2002 of the Company and its subsidiaries (the "Group").

RESULTS FOR THE YEAR 2002

In the year ended 31 December, 2002, the audited consolidated profit of the Group amounted to HK\$13,116,000, representing a decrease of 29.8% over last year due to unfavourable market conditions, and large expenditure on advertising and promotions in the newly developed markets.

Turnover less goods returned under special circumstance for the year 2002 was HK\$165,636,000, representing a decrease of 20.9% over HK\$209,413,000 in the year 2001.

Earnings per share for the year 2002 amounted to HK\$0.0225, representing a decrease of 34.0% over HK\$0.0341 in the year 2001.

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*Newly-acquired facility:
High efficiency drug-producing centrifugal dryer*

PROSPECTS FOR THE YEAR 2003

The management of the Group strongly believes that by leveraging our technological know-how and the existing marketing networks in the People's Republic of China (the 'PRC'), pharmaceutical market will bring fruitful returns and profits to our investors in near future.

RESEARCH AND DEVELOPMENT

The Group will continue to invest in research and development and expansion of market coverage according to the group strategy. While new technology is deployed to revolutionise enterprises and to present a lot of business possibilities, the new business must still build from the existing bases. We must also energetically seek to retain elements of successful traditional business factors for our future development.

DIVIDENDS

No interim dividend was declared for the year. The Board does not recommend the payment of any final dividend for the year ended 31 December 2002. (In 2001, Interim dividend of HK\$21,500,000 was distributed to the then shareholders at that time by a subsidiary of the Group before the restructuring of the Group. Final dividend HK\$0.015 per share was distributed.)





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ACKNOWLEDGMENTS

On behalf of the Board, I would like to express my sincere gratitude to our customers, suppliers and shareholders for their support. Moreover, my deeply appreciation go to all who have the valuable contributions to the Group during the year, in particular to my fellow directors, the management and the staff.

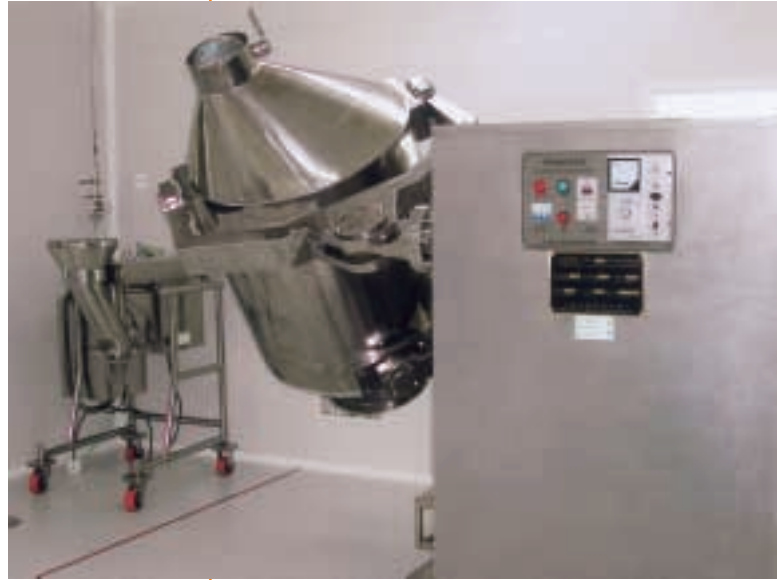
I am confident that the momentum, advantage and brand recognition that the Group has gained in the past will carry us forward to outstanding achievements, to many years of growth, and to real value for our shareholders and partners.

On behalf of the Board

Wong Yin Sen

Chairman

Hong Kong, 23 April, 2003



*Newly-acquired facility:
Multi-way motion drug-producing blender*