

The Chinese name of E-LIFE International Limited (the "Company") changed from「益來國際控股有限公司」into「益華教育投資集團有限公司」on 22nd July, 2002 to highlight the business development strategy of the Company in future.

In the past year, though international freight forwarding and related logistics services are still the principal activities of the Company and its subsidiaries ("the Group"), the 911 Incident and the Gulf War slowed down the recovery of the worldwide economy. On the other hand, the market of genetic bio-technology products and related research development are prosperous in China. Hence the Group had strategically increased the investment in order to take great pace on the future business opportunities in this sector.

BUSINESS REVIEW

Freight Forwarding Business

The turnover of the Group's international forwarding agency business was HK\$11 million for the year ended 31st March, 2003, representing a decrease of 78% as compared to last year.

The Group's freight forwarding business underwent restructuring and repositioning last year and new business was developed against the sluggish global economy. Through co-operating with airlines in the People's Republic of China ("PRC"), the international freight forwarding business in the United States and the PRC was re-established.

Loss on Trading of Securities

Trading of securities in Hong Kong recorded a realized loss of HK\$696,000. By the year end, the Hong Kong economy was severely affected by SARS, which caused a decrease of value in the securities held of HK\$14,513,000.

Significant Investment Held

While actively identifying new investment opportunities in the educational field, in late March 2002, the Group acquired the Promoters' Shares (the "Promoters' Shares") of Beijing Beida Jade Bird Universal Sci-Tech Co. Ltd. ("BBJB"), a listed company on the Growth Enterprise Market ("the GEM Board") of the Stock Exchange in Hong Kong at a consideration of approximately HK\$38 million as a long term strategic investment. The value of the Promoters' Shares decreased by approximately HK\$21 million based on its market value on the GEM Board as at the year end. Currently, application is under progress to transform the Promoters' Shares into ordinary outstanding shares in the PRC.

Investment in the PRC

During the year, the Group increased its investment in E-Life Gene Technology Limited ("E-Life Gene") in Nanjing, which had enhanced the financial strength and development potential for the Group's presence in the PRC.

CHAIRMAN'S STATEMENT

In March 2003, E-Life Gene invited China Peking University Weming Biotech Group ("Weming"), a state-owned enterprise and an independent third party, to inject a sum of US\$8,608,261 into E-Life Gene and thereby acquiring a 47.11% equity interest in E-Life Gene. Upon the capital injection and expansion, the total registered capital of E-Life Gene increased from US\$7,535,180 to US\$14,247,857 while the Group's equity interest in E-Life Gene reduced from 89.08% to 47.11%. The Group was therefore deemed to have disposed of a 41.97% interest in E-life Gene and recorded a book gain of HK\$13,809,000.

Liquidity and Cashflow Resources

During the year, the Company issued and allotted 370,000,000 ordinary shares of the Company of HK\$0.05 each at HK\$0.05 per share by mean of a placement of shares with an institutional investors. The proceeds from the placement of shares of HK\$18.5 million were used for general working capital of the Group.

The gearing ratio maintained at zero and the current ratio increased from 5.11 to 10.60 respectively. The calculation of gearing ratio is based on interest bearing borrowings of HK\$Nil (2002: Nil) and the shareholders' equity of HK\$134,468,000 (2002: HK\$162,672,000) at the balance sheet date. The calculation of current ratio is based on the current assets of HK\$72,205,000 (2002: HK\$120,040,000) and the current liabilities of HK\$6,811,000 (2002: HK\$23,479,000) at the balance sheet date.

Subsequent Events

Subsequent to the balance sheet date, in April 2003, the Company acquired from an independent third party 1 share of US\$1.00 in the capital of Honest Talents Limited ("Honest Talents"), representing its entire issued share capital, together with a non-interest bearing shareholder's loan of HK\$5 million. The acquisition is related to the technology of recombinant human Stem Cell Factor ("rhSCF").

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group has approximately 13 staff at the balance sheet date. The Group is well acquainted with the importance of maintaining high calibre and competent employees by implementing a strict recruitment policy accordingly. It offers benefits like shares options to staff in order to instill loyalty to the Company.

PROSPECTS

The development in the PRC education sector will remain as the focus of the Group's future growth. The Group is now actively seeking for the appropriate investments.

Besides, the business in genetic bio-technology will still be conducted through the associated company in Nanjing, in which the project of rhSCF has been implemented.

The Stem Cell Factor can stimulate the growth of human cord blood cells. No patent application will be made for the technology in the PRC as overseas scientists have also done similar research on this discipline. As far as the Directors know, the rhSCF technology has been developed in the United States since 1990 and it is now in its Phase 3 clinical trial.

The Directors believe the acquisition is in line with the business strategies of the Company in the PRC. The Company is currently considering additional capital injection into associated companies, which may include the equity interests in Honest Talents. Our associated companies may further develop the technology of rhSCF. Up to the date of this report, no decision has been made for the capital injection.

CLOSURE OF REGISTER

The Register of members will be closed from Monday, 25th August, 2003 to Thursday, 28th August, 2003 (both days inclusive) during which period no transfer of share can be registered.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2003.

CODE OF BEST PRACTICE AND CORPORATE GOVERNANCE

Save that the independent non-executive directors and non-executive director of the Company are not appointed for specific terms as they are subject to retirement by rotation at annual general meeting in accordance with the Company's Bye laws, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG

Information that is required by paragraph 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited will be published on the website of The Stock Exchange of Hong Kong Limited (<http://hkex.com.hk>) in due course.

By Order of the Board

Wang Jian Hua

Chairman

Hong Kong, 28th July, 2003