

Chairman's Statement

Wanji Pharmaceutical Holdings Limited (formerly known as ehealthcareasia Limited) (the "Company") and its subsidiaries (collectively known as the "Group") has been undergoing intensive restructuring and reform for the past two years. Following the change of controlling shareholder and management in October 2002, the current financial year marked the beginning of new expectations and a new vision.

As global economy continued to be mired at doldrums last year, many insurance companies, medical services providers, hospitals and government authorities reduced their capital expenditures. The Group undertook active initiatives to review and restructure its business, so as to improve its financial situation. Certain non-core businesses that had not performed satisfactorily were also disposed of, enabling the Group to strengthen its financial status and ensuring a healthy and viable operation.

In October 2002, the Company successfully brought in an independent third party, Wealth Generator Limited ("Wealth Generator"), as the Group's strategic controlling shareholder. Wealth Generator invested approximately HK\$50 million into the Company through subscription of new shares. The proceeds raised were used to reduce borrowings and to strengthen the Company's working capital. Following the completion of the transaction, Wealth Generator has an equity interest of approximately 70% in the Company.

After the balance sheet date, a special resolution was passed to rename the Company as Wanji Pharmaceutical Holdings Limited so as to better reflect the Group's future business focus and direction.

PROSPECTS

During the year under review, the Group's new management has been making cautious preparations to position the Group for long-term development. We have been dedicating our efforts to sustain the development of the Group's existing performing business such as the distribution of medical equipment and at the same time, actively preparing the product distribution business for Shenzhen Wanji Medicine Products Co., Ltd. ("Shenzhen Wanji"), a related company of the Company, with the plan of gradually introducing its quality healthcare, medicinal and other products to Hong Kong and overseas markets in phases.

In August 2002, the Company and Wealth Generator entered into a distributorship agreement that became effective on the day Wealth Generator subscribed the Company's new shares. Pursuant to the distributorship agreement, the Company has been appointed by Shenzhen Wanji as its exclusive global distributor (except for the mainland of The People's Republic of China ("PRC")) of its products for a term of 10 years. Shenzhen Wanji is a reputable and sizeable PRC private enterprise engaging in the business of production, distribution and dealership of healthcare and medicinal products in the PRC. It is known for its vast experience and remarkable track records in the healthcare and medicinal industry.

We expect that the Hong Kong market will see the initial launch of Shenzhen Wanji's flagship product collection – the Wanji ginseng series – in the second quarter of the coming financial year. Given the growing acceptance of healthcare and Chinese medicinal products in Hong Kong and that the Severe Acute Respiratory Syndrome incident has further enhanced the awareness of healthcare protection among Hong Kong people, we believe in the tremendous development potential of this medicinal and healthcare product distribution business and its prospect of generating additional income for the Group.





The Group is also actively exploring investment opportunities of substantial potential to facilitate business expansion activities and to further enhance our shareholders' long-term benefits. Subsequent to the balance sheet date on 22nd July 2003, Wanji (BVI) Limited ("Wanji BVI"), a wholly-owned subsidiary of the Company, entered into an equity joint venture agreement ("Agreement") with 江西國藥有限責任公司 ("Guo Yao"), a company incorporated in the PRC with principal activities comprising the manufacturing and sale of Chinese medicines and healthcare products in the PRC, to establish a sino-foreign equity joint venture, namely 江西金水康製藥有限公司 (Jiangxi Jinshuikang Medicine Co. Ltd.) ("Jinshuikang"). Pursuant to the Agreement, Wanji BVI agreed to invest a sum of RMB10.5 million to Jinshuikang in cash, whilst Guo Yao agreed to inject its business of manufacturing and sale of medicines including machinery, office equipment and inventories etc., representing a consideration of RMB5 million. Upon the completion of the formation of Jinshuikang, the shareholding of Jinshuikang will be held as to about 67.7% by Wanji BVI and about 32.3% by Guo Yao. Jinshuikang will be principally engaged in manufacturing and sale of medicines and healthcare products in the PRC including healthcare products for liver and kidney. The Group's capital injection of RMB10.5 million (equivalent to approximately HK\$9.9 million) will be funded by the Group's internal resources.

With our considerable management experience, our thorough understanding of the market and the know-how to produce the healthcare products and medicines, I believe that the bring-in of new inspirations, new opportunities and new initiatives to the Group can contribute to achieve the goal of enriching shareholders' benefits.

I would like to take this opportunity to extend my sincerest gratitude to our shareholders for their staunch support and to members of the Board and every staff of the Group for their hard work and contribution during the year under review.

Chen Wei Dong

Chairman

Hong Kong, 23rd July 2003