

Mr. Wong Yin Sen,
Chairman



On behalf of the board of directors (the "Director(s)") of Golden Dragon Group (Holdings) Limited (the "Company") (the "Board"), I am pleased to present this Annual Report for the year ended 31 December 2003 of the Company and its subsidiaries (the "Group").

RESULTS FOR THE YEAR 2003

In the year ended 31 December 2003, the audited consolidated profit of the Group amounted to HK\$8,216,000, representing a decrease of 37.4% over last year due to the outbreak of the Severe Acute Respiratory Syndrome ("SARS") epidemic in Asia in the first half of 2003.

Turnover for the year 2003 was HK\$156,263,000, representing a decrease of 5.7% over HK\$165,636,000 in the year 2002.

Earnings per share for the year 2003 amounted to HK1.41 cents representing a decrease of 37.3% over HK2.25 cents in the year 2002.

PROSPECTS FOR THE YEAR 2004

Leveraging on the Group's accumulated and improved production technologies, well-established and extensive sales networks, and the aggressive development of the pharmaceuticals market, the Group has successfully established a solid foundation in 2003 for its further development.

The management of the Group is confident with the optimistic future growth and prospects of the Group. It is believed that from the year of 2004 onwards, revenue from the pharmaceutical business of the Group will provide ample room for development and will maximise the shareholder's value.



Chairman's Statement

RESEARCH AND DEVELOPMENT

In addition to allocating more resources to the specialized pharmaceutical markets and exploring opportunities for development, the Group will emphasize on the development of pharmaceuticals and health care related products. As such, the Group plans to invest in the research and development of pharmaceuticals and health care products in 2004 so as to enrich its product mix, and seeks for more business opportunities in order to expand its sources of revenue.

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 2003 (2002: nil).

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my sincere gratitude to our customers, suppliers and shareholders. Furthermore, my deep appreciation and thankfulness goes to all members of our staff, in particular to my fellow directors and the management, who have devoted their efforts on the Group's development during the year.

The Group will continue to consolidate and enhance its competitiveness, endeavor to move forward and to grasp further business opportunities for better returns to the shareholders. I am confident that with the Group's efforts made in the past, its unique background and strengths, and broad product's recognition will bring greater returns for our investors.

On behalf of the Board

Wong Yin Sen

Chairman

Hong Kong, 22 April 2004