

"Our group has achieved another year of profitable performance..."

EXTRAWELL PHARMACEUTICAL

Extrawell Pharmaceutical Holdings Limited and its subsidiaries (the "Group") is an importer and distributor of quality ethical drugs and pharmaceuticals and a high growth pharmaceutical manufacturer in The People's Republic of China (the "PRC").

The Group remains dedicated to this two-fold mission. The Group was listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") in March 1999.

The Group's core businesses are conducted predominantly in the PRC and can be segmented into two main sectors. The first being imported products distributed by the Group's subsidiaries, namely Extrawell Enterprises Limited, South Asia Pharmaceutical (China) Limited, GSA Services (L) Bhd and Austcow Limited. The subsidiaries in this sector focus on importing pharmaceuticals, healthcare and nutritional products, medical equipment and devices.

Imported Products Portfolio

For imported pharmaceuticals, the main activities include product awareness promotion, product application support and product research, submission of clinical papers for regulatory product registration, sales, marketing and distribution. Core products are in the therapeutic areas of Central Nervous System, Cerebrovascular, Myocardial Disorders, Anti-thrombotic and Haematopoietic.

For medical equipment and devices, core products for distribution include Pain Managers, Receptal ATS and Blood Set Pumps.

For healthcare and nutritional, products for distribution include Australia-sourced fresh milk, dairy products, ice cream mix, chocolates and biscuits under the Group's own PRC registered trademark of "Auscow".

Manufactured Products Portfolio

The other main segment of the Group, focuses on products development, manufacture, sale and distribution by Joint Venture ("JV") entities namely, Changchun Extrawell Pharmaceutical Co., Ltd. ("CEP") and Jilin Extrawell Changbaishan Pharmaceutical Co., Ltd. ("JECP"), both located in Changchun, Jilin Province, the PRC of which the Group holds equity interests of 80% and 60% respectively.

CEP manufactures its own range of registered products, prepares clinical papers for regulatory product registration, does product market research, sells and distributes ethical biological drugs throughout the PRC. It currently has eight biological products in the therapeutic categories of Immunological, Cerebrovascular, Dermatological and the Anti-thrombotic range.

JECP manufactures its own range of products, does marketing research, sells and distributes currently four products in the therapeutic areas of Immunological, Cerebrovascular and drugs for pulmonary diseases. It also markets and distributes over-the-counter ("OTC") products for cold remedies, digestive remedies and respiratory discomfort. JECP holds licenses of a total of fifty eight registered pharmaceutical products in the PRC. Products of JECP includes OTC and prescriptive types which includes biological, traditional chinese and western formulae. The long product development cycle associated with pharmaceutical companies will not affect these JVs as they have a wide range of readily available registered products for immediate production and sale.

Both the Group's import sector and manufacturing sector recorded growth in operating profits for the year ended 31 March 2001.



Extrawell Pharmaceutical Holdings Limited Annual Report 2001

Extrawell Group's current distribution network in the PRC