

CHAIRMAN'S STATEMENT

As Chairman of Extrawell Group, I am proud to announce that the past year has been a great progress and new evolution for the Group. We have continuously produced very strong operating results. At the same time, we have executed momentous changes quickly and efficiently to capture newly opened opportunities. Most importantly, as one of the leading bio-genomic and pharmaceutical companies in the People's Republic of China ("PRC"), we never lost sight of our commitments for quality assurance and sustainable growth.



TO IMPROVE YOUR HEALTH IS OUR LIFE-LONG COMMITMENT

As a fully integrated bio-genomic and pharmaceutical manufacturer and distributor, we are dedicated to improve the quality of life in the PRC.

One of our major products, P-Transfer Factor, manufactured by Changchun Extrawell Pharmaceutical Co., Ltd ("Changchun Extrawell"), our GMP factory in Changchun, Jilin Province, Northern China, is used to boost up the human immune system. Its efficacy is well recognized amongst PRC research scientists and Factor medical practitioners to promote T-cell in human body, which is an important media for immune system reactions. In recent months, studies and seminars on efficacy of P-Transfer Factor have been put on a heightened position in view of the immense demand for a cost-effective solution to improve the human immune system to defend against serious acute respiratory syndrome ("SARS"). The Group has organized seminars to medical practitioners for introducing the efficacy and cost effectiveness of P-Transfer Factor in improving the human immune system to defend against SARS. We have received many orders from hospitals and government medical bodies as P-Transfer Factor is distributed to medical staff for protection against risky exposure to SARS. On behalf of the board, I have to thank our loyal customers for their continuous support and to request their understanding in any delay or inconvenience caused by the shortage of supply during these unforeseen and sudden circumstances. Furthermore, the management would like to express our gratitude to all staff in Changchun Extrawell for their dedications and extra efforts to ensure smooth running of the company and its commitments on timely supply during such crucial period. SARS has caught the attention of the Chinese population the importance of health care and we believe the level of product recognition and acceptance will grow in time. A step ahead, we are in the process of applying registrations to export P-Transfer Factor into Hong Kong and in the near future, to other South East Asian countries to capture opportunities in a larger market.

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SPINNING OFF – A NEW WINDOW FOR PRC LOCAL INVESTORS' INVOLVEMENTS

We wasted no time to tap the unprecedented opportunity – China opens its door for overseas companies to list their shares in the PRC stock market. We have completed the re-organisation of Changchun Extrawell. On 17 May 2003, we were advised by CSRC Changchun Securities Regulatory Resident Office (中國証監會長春証券監管特派員辦事處) orally that Changchun Extrawell has completed the preliminary coaching in connection with the proposed implementation of an initial public offerings of “A” shares of Changchun Extrawell on the Shanghai or



Shenzhen Stock Exchange in the PRC. The principal business of Changchun Extrawell is the production and distribution of pharmaceuticals in the PRC. The proposed spin off, if implemented, will provide more diversified funding sources for Changchun Extrawell to finance its existing operations and future expansion in the PRC, if any. The separate listing will also allow Changchun Extrawell to achieve a higher profile which in turn will benefit to the Company and its shareholders. Should the board decided to proceed with the spin off, relevant announcement and circulars for detailed proposal will be circulated and shareholders' approval will be sought in due course.

CONCLUSION

We look to the future with great optimism. We have a team of management with strong experience and expertise. With our dedication to quality assurance, corporate growth and heighten scrutiny in management efficiency, Extrawell is ready to realize our ambitions.

With all the accomplishments I mentioned above, I would like to take this opportunity to thank all my fellow colleagues, customers and business partners for their consistent and perpetual support.

Dr. Mao Yu Min
Chairman

Hong Kong, 30 July 2003