

Chairman's Statement

On behalf of Vision Tech International Holdings Limited ("the Company"), I, Chairman, present to the shareholders the annual results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2002.

I, through my wholly and beneficially owned company namely Arko Resources Limited, became the single largest and substantial shareholder and the chairman of the Company in July 2002. Since then, I started to work with the then management in order to review the Company's business and accounting records. However, the management was inco-operative and most of the books and records had somehow been mislaid and could not be found in spite of repeated enquires and searches. This made the audit works on the Company's financial statements extremely difficult and explained the delay in announcement of the Company's results and the delay in despatch of the annual reports and the qualifications by the auditor for the financial year ended 31 March 2002. The Company has been replacing the previous management with capable and responsible personnel.

RESULTS

The financial year ended 31 March 2002 was a very difficult year to the Group. For the year ended 31 March 2002, the Group recorded a net loss of HK\$24.4 million. Net loss attributable to shareholders is HK\$24.5 million.

DIVIDEND

In light of the Group's performance, the Board of Directors does not recommend any final dividend for the year ended 31 March 2002.

BUSINESS REVIEW

The Board of Directors of the Company (the "Directors") announces that the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March 2002 recording a loss attributable to shareholders of HK\$24,519,000. The loss was mainly arose from a decrease in the turnover from HK\$147,672,000 to HK\$70,364,000 and the gross profit ration from 4.16% to 1.87% respectively which were both due to the fierce competition in the domestic electronic products market in the People's Republic of China.

AUDIO-VISUAL PRODUCTS

The sale of the audio-visual products decrease from HK\$111,477,000 to HK\$35,048,000 as a result of the keen price competition in the traditional products' market and sale of the new products were also much slower than expected despite the increase in promotional activities.

OTHER HOME APPLIANCE PRODUCTS

The sale of the other home appliance products has increased to HK\$34,526,000 from HK\$2,466,000 last year as a result of the launching of new products but the fierce price competition in the market rendering a negative contribution from this business for the Group.

OUTLOOK

The group will continue streamlining the existing operations and improving production efficiency. In view of the significant growth in other home appliance products, the group will devote sufficient resources to develop it.

By order of the Board
Mrs PEI Chen Chi Kuen, Delia
Chairman