

Chairman's Statement

To our shareholders:

On behalf of the Board of Directors of Neo-Tech Global Limited ("Neo-Tech" or the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the financial year ended 30 April 2002.

FINANCIAL REVIEW

During the year under review, the Group recorded a turnover to HK\$2.4 million (2001: HK\$5.2 million), representing a decrease of 54% over the prior year. Loss attributable to shareholders amounted to HK\$342 million (2001: HK\$16 million). Loss per share was HK45.9 cents (2001: HK2.5 cents).

DIVIDEND

The Board of Directors do not recommend the payment of any dividend for the year ended 30 April 2002 (2001: Nil).

EQUITY

The Company's issued and fully paid share capital as at 30 April 2002 amounted to HK\$87,594,064 divided into 875,940,643 ordinary shares of HK\$0.10 each.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

The year under review witnessed a gradual and orderly shift in business direction of the Group. Previously, the Group was an investment holding company with investment in companies engaged in Internet-enabling and related technology business. Due to global economic downturn and the difficult operating environment encountered by Internet-related companies, the returns on the Group's investments were much lower than those in the old economy. In order to enhance investment return and lower investment risks, the Group has been gradually engaged in the old economy of property investment. With the hefty development of the economy, the Company acquired certain property development interests in Beijing and Shanghai, of the People's Republic of China (the "PRC") during the year, and the above projects are expected to raise the earnings potential and asset value of the Group in the long run.

Chairman's Statement (continued)

REVIEW OF OPERATIONS AND FUTURE PROSPECTS (continued)

During this transitional period, the operating results of the Group had been affected to a certain degree, when restructuring of the Internet-related assets is under progress whilst new businesses being developed had yet to make any significant positive contributions. A loss of HK\$74,546,000 on disposal of the Group's investment securities and loss of HK\$47,732,000 on disposal of subsidiaries had been recorded. In addition to the above, the Directors performed an assessment on the carrying value of goodwill and impairment of HK\$157,135,000 was resulted. As the Group no longer holds any significant listed investments, it is expected that losses of similar magnitude will not be recurring in the coming financial year.

Confronting with the current global economic downturn, the Group is determined to make every endeavor to overcome the obstacle by strategic solutions. These include effective reallocation of resources to profitable operations.

The slowdown of the Hong Kong economy is expected to continue in the coming year but the development of the Mainland China's economy is continuing its promising trend. The Group believes that engaging in investment activities in Mainland China will enhance the investment returns of the Group. Therefore, the Group intends to increase its portfolio of property investment in the Mainland China. Barring unforeseen circumstances, we expect to report an encouraging result to the shareholders in the forthcoming financial year.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report. The Group has no significant exposure to foreign exchange rate fluctuations except for the interest in associates in Mainland China which is held as long term investment and borrowings of the Group which are denominated in Canadian dollars.

The gearing ratio of the Group continues to be maintained at a low level. The Group believes that its liquid asset value and future revenue will be sufficient to fund future expansion and working capital requirements.

Majority of the Group's borrowings matures in or after 2003. As at 30 April 2002, the outstanding bank loans amounted to approximately HK\$3 million was secured by the Group's property situated in Canada.

Chairman's Statement (continued)

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2002, the Group employed 15 staff. The Group ensures that pay scales of its employees are rewarded on a performance related basis within the general framework of the Group's remuneration strategy. The Group also provides other staff benefits which include year end double pay, discretionary bonus, contributory provident fund and medical insurance. Training programmes for staffs are provided as and when required.

CONTINGENT LIABILITY

The Group did not have any significant contingent liability as at the balance sheet date.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my deepest appreciation to our management and staff for their dedication and commitment.

In addition, I would like to extend my sincere thanks to our business partners for their continued support over the past years. The Group is confident that its future will be even more promising.

Lai Leong

Chairman