

# Chairman's Statement

To our shareholders:

On behalf of the Board of Director 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 2003.

## FINANCIAL REVIEW

During the year under review, the Group recorded a turnover of HK\$522,000 (2002: HK\$2,378,000), representing an decrease of 78% over the prior year. Loss attributable to shareholders amounted to HK\$35 million (2002: HK\$342 million). Loss per share was HK4.0 cents (2002: HK45.9 cents).

## DIVIDEND

The Board of Directors do not recommend the payment of any dividend for the year ended 30 April 2003 (2002: Nil).

## EQUITY

The Company's issued and fully paid share capital as at 30 April 2003 amounted to HK\$87,594,064 divided into 875,940,643 ordinary shares of HK\$0.10 each.

## REVIEW OF OPERATIONS AND FUTURE PROSPECTS

In view of the global economic downturn and the difficult operating environment encountered by internet-related companies in recent years, the Directors have been taking steps to refocus the Group's core business. The Group has also been restructuring its core businesses through the disposal of the companies principally engaged in internet-related businesses and has shifted the Group's focus to property investments and development in the People's Republic of China (the "PRC") in order to strengthen the income base of the Group.

During the year ended 30 April 2003, the Group continued its initiatives to develop and focus new investment opportunities in properties in the PRC. In view of the vast market potential in the property industry in the PRC, especially with the promising industry prospects in Shanghai and Beijing, the Group is making every effort to expand its property investment businesses in the market development. We are also seeking opportunities to create strategic investments so as to increase our overall value and competitiveness in the market.

## Chairman's Statement (continued)

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### **REVIEW OF OPERATIONS AND FUTURE PROSPECTS (continued)**

During the financial year under review, the Group recorded a turnover of approximately HK\$522,000, as compared to approximately HK\$2,378,000 for the same period in 2002. The Group's loss attributable to shareholders for the year ended 30 April 2003 was approximately HK\$35 million, as compared to a loss of approximately HK\$342 million in 2002.

Given that the Group intends to focus in the field of property investments and development in the PRC, the Group is seeking to explore and review new potential investment opportunities and to start replenishing its land bank in order to strengthen the earning base and to generate a more steady source of income, thus to enhance the investment value of the Group.

Taken into account the abovementioned, we believe that the property market in the PRC will continue to be stimulated by factors including continued growth in the PRC economy, particularly in the post-WTO era and continued growth in investment in fixed assets in the PRC, 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.

Gearing ratio was 9%, which was calculated on the basis of the Group's net bank borrowings (after deducting cash at banks and in hand of HK\$1,177,000) over shareholders' funds at the year end date. The Group believes that its liquid asset value and future revenue will be sufficient to fund future expansion and working capital requirements.

The Group's borrowings will mature in 2005. As at 30 April 2003, the outstanding bank loans amounted to approximately HK\$23,585,000.

## Chairman's Statement (continued)

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### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 April 2003, the Group had 9 employees (2002: 15). Remuneration is determined by reference to market term and the performance, qualification and experience of individual employee. The Group also provides year end double pay and contributory provident fund.

### **CONTINGENT LIABILITY**

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

### **APPRECIATION**

I would like to thank our shareholders, business partners and business associates for their continued support, invaluable guidance and encouragement.

I believe that people was always the key component to the Group's success. 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 the past year.

**Lai Leong**  
*Chairman*

26 August 2003