

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

On behalf of the board of directors of the Company (the "Board"), I present the annual results of the Group for the financial year ended 31 March 2006. The financial year 2005/06 represented a transitional year for the Group. During the financial year, the Group recorded a net loss of approximately HK\$78 million and turnover of approximately HK\$16.4 million representing an increase of 2.5% as compared to the previous financial year.

Throughout the financial year, the senior management has been dedicated to a strategy of transformation, that is, by consolidation and divestment of under-performing and non-performing assets and, at the same time, by investment in potentially high-yielding and rapid-growth assets that will contribute to long term profitability of the Company. The Company has also been able to repay all substantial loans and to ensure a healthy liquidity and strong equity position. As such, the Group discontinued the electronic components trading segment subsequent to the financial year end and have sought to conduct businesses that do not put heavy strain on working capital to ensure good recoverability of capital.

Over the year, subsequent to the incorporation of Unicla International Limited ("UIL"), a subsidiary of the Company, the Group successfully dismantled all equipment from a factory in Nagoya, Japan and relocated the same in Dongguan, Guangdong Province of the People's Republic of China (the "PRC"). This new setup will produce automotive air conditioning compressors in Dongguan and international sale will be conducted through Hong Kong headquarters and Japan branch office under the reputable brand name "Unicla". UIL is currently the registered proprietor and beneficial owner of the trademarks of "Unicla" in 16 countries and the patents of UIL's products in Japan, Korea and the United States.

Moreover, logistics and media businesses have also been steadily developed since their inaugurations during the year. As the Group foresees the importance of Hong Kong financial market to the PRC, the Group acquired the entire issued share capital of Infast Brokerage Limited in January 2006. Completion of the acquisition took place in June 2006. We believe that the acquisition gives the Group a precious chance to participate in the upsurge of financial activities in the future.

Over the past financial year, the Group carried out two fund-raising exercises, including a share placement in May 2005 and an open offer in August 2005, and one capital reorganization exercise in August 2005. Those altogether resulted in a sharp increase in total equity from HK\$64.5 million as at 31 March 2005 to HK\$74.9 million as at 31 March 2006. From the open offer, which was launched in August and completed in October 2005, the Group raised net proceeds of approximately HK\$58.5 million. I am also pleased to announce that our Group has recorded a net cash position of approximately HK\$32.5 million without any borrowings as at 31 March 2006.

本人謹代表本公司董事會（「董事會」）提呈本集團截至二零零六年三月三十一日止財政年度全年業績。二零零五／零六財政年度對本集團而言屬過渡期。本集團於本財政年度錄得虧損淨額約78,000,000港元，而營業額則約16,400,000港元，較上一個財政年度增加2.5%。

於本財政年度，高級管理層一直致力推行轉型策略，亦即針對表現欠佳及不良的資產進行整合及撤資，同時投資於盈利潛力雄厚及增長迅速的資產，為本公司帶來長遠盈利。本公司亦能夠償還所有重大貸款，確保維持雄厚穩健之流動資金及股本。因此，本集團已於財政年度年結日後終止電子零件買賣業務，並尋求從事毋須動用大量營運資金之業務，確保良好的資金恢復能力。

年內，本集團於本公司附屬公司尤里克拉國際有限公司（「尤里克拉國際」）註冊成立後，成功拆除日本名古屋廠房之所有設備，並遷往中華人民共和國（「中國」）廣東省東莞市。這新落成之東莞廠房生產汽車空調壓縮機，並透過香港總辦事處及日本分支辦事處，以信譽昭著之「尤里克拉」品牌於世界各地行銷。尤里克拉國際現為於16個國家之「尤里克拉」商標及於日本、韓國及美國尤里克拉國際產品之專利權之註冊擁有人兼實益擁有人。

此外，物流及媒體業務於本年度開展以來一直穩步發展。鑑於本集團洞悉香港金融市場對中國之重要性，本集團因而於二零零六年一月收購進滙證券有限公司全部已發行股本。收購已於二零零六年六月完成。我們相信，收購為本集團帶來參與日後頻繁金融活動的寶貴機會。

本集團於上一個財政年度進行兩項集資活動，分別為二零零五年五月之股份配售及二零零五年八月之公開發售，並於二零零五年八月進行一項股本重組活動，致令總股本由二零零五年三月三十一日64,500,000港元，飆升至二零零六年三月三十一日之74,900,000港元。公開發售於二零零五年八月展開，並於十月完成，本集團藉此籌得約58,500,000港元所得款項淨額。本人另欣然宣佈，於二零零六年三月三十一日，本集團錄得現金淨額約32,500,000港元，且並無任何借款。

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On 7 June 2006, the Company announced to propose another open offer of new shares on the basis of one share for every share held at the price of HK\$0.12 per offer share to raise not less than approximately HK\$99.5 million but not more than HK\$109.4 million before expenses for funding of the proposed subscription of approximately 39.4% interest of 江蘇松林汽車零部件有限公司 (Jiangsu Songlin Automobile Parts Co., Ltd.), an auto parts company incorporated in the PRC, and for general working capital and future investments. I truly believe that the Group's capital capability was greatly strengthened and the shareholder's base has been enlarged after the above fund raising exercises.

In May 2006, Mr. Ryoji Furukawa and Mr. Yip Chi Chiu accepted our invitation to become the Chairman and the Deputy Chairman of the Company respectively. Currently Mr. Furukawa is the Chairman of the Board of Asset Managers Co., Ltd. while Mr. Yip is the director and Chief Executive Officer of Asset Managers (Asia) Company Limited. With their roles in the Company, the Company will benefit from their international exposure and connections. The Group's professional management will certainly dedicate to strive for a good year of success.

During 2001-2005, the annual growth rate of the PRC's real GDP achieved 9.5% in average. In the same period, the average disposable income per capita for PRC urban households increased by 10.8% per annum. These imply that a vast consumer mass has appeared in the PRC. Referring to the 11th Five-Year Guideline, the PRC government's focuses on exploring domestic demand will be another driven force of China's economic growth. Consumption industries like automobile, auto parts, property, retail and finance are expected to become the sunrise industries during 2006-2010.

In view of the above, the Group will put more efforts to explore relevant business opportunities in the above areas including but not limited to auto parts sectors. Our ultimate goal is to establish a solid platform for quality PRC investments through acquisition of projects with good potential and thus bringing our shareholders promising returns in the future.

On behalf of the Board, I would like to thank our business partners and shareholders for their continuous support. I would also like to thank deeply our management and our staff for their contributions. We are dedicated to work out a brilliant future.

Loo Chung Keung Steve
Managing Director

Hong Kong, 14 July 2006

於二零零六年六月七日，本公司宣佈提呈另一項公開發售新股活動，以每持有一股股份按每股0.12港元獲發一股發售股份之基準進行，於扣除開支前籌集不少於約99,500,000港元但不多於109,400,000港元，以撥作建議認購於中國註冊的汽車零件公司江蘇松林汽車零部件有限公司約39.4%權益股份融資、一般營運資金及日後投資所需。本人深信，於上述集資活動後，本集團之資金能力已經顯著提升，而股東基礎亦得以進一步擴大。

於二零零六年五月，古川令治先生及葉志釗先生接納我們的邀請，分別出任本公司主席及副主席。目前，古川先生為Asset Managers Co., Ltd. 之董事長，而葉先生則為亞盛（亞洲）有限公司之董事兼行政總裁。古川先生及葉先生加盟本公司後，本公司定能受惠於彼等之跨國業務經驗及人脈。本集團之專業管理層將致力於來年爭取佳績。

二零零一年至二零零五年間，中國實質國內生產總值的按年增長率平均達到9.5%。同期，中國城鎮居民家庭之人均可支配收入按年增加10.8%，這些數字皆意味中國已湧現大批消費群體。根據第十一個五年計劃所示，中國政府專注發掘本地需求，將會成為中國經濟增長另一主要動力。預期汽車、汽車零件、物業、零售及金融等消費行業將於二零零六至二零一零年間成為朝陽行業。

有見及此，本集團將投入更大努力，於上述範疇內發掘有關商機，包括但不限於汽車零件行業。我們的最終目標為透過收購具良好潛力的項目，建立起一個強大的優質中國投資平台，日後為股東帶來可觀回報。

本人謹代表董事會，對業務夥伴及股東之鼎力支持致以謝意。本人另衷心感謝管理層及員工作出的貢獻。我們定當攜手共創光明前景。

董事總經理
盧重強

香港，二零零六年七月十四日