



Mr. Simon N Hsu
Executive Vice Chairman

Mr. Brian C Beazer
Executive Chairman

Mr. David H Clarke
Executive Vice Chairman

Chairman's Statement

The most significant event in the past year was the agreement to purchase 61.8% of Spear & Jackson, Inc.

Subject to the closing conditions which remain outstanding at this time, at a Special General Meeting to be held, I propose to put before our shareholders a Resolution to proceed with this purchase and your Directors are unanimous in recommending this course of action. Our Circular shows the benefits of this acquisition, with the increased size and depth of product line available to the combined grouping.

The two major shareholders of the group representing the interests of myself and David H Clarke will not vote under a ruling of the Hong Kong Stock Exchange, but we both fully support and endorse this transaction, and urge all shareholders to vote in favor.

In the year under review we have increased our sales to HK\$454.3 million and profits after tax increased in line to HK\$15.7 million. These results were achieved against a background of intense competition and rapidly rising raw material prices.

We are expanding our multinational operations with the re-opening of our Chicago office, a new office in Hangzhou and with plans to start operations in the European Union.

In view of the importance and size of the Spear & Jackson Inc acquisition we have decided to change our financial year end to 30th September, incorporating Spear & Jackson Inc for two-months in this current half-year. Our accounts in this current half-year will be influenced by the acquisition and the consequential movement of balances, but in the year commencing 1st October, 2006, subject to the closing of Spear & Jackson, barring unforeseen circumstances, we expect to produce a material rise in earnings per share for the UPI group as compared with 31st March, 2006.

On behalf of the Board of Directors I would like to convey my thanks to all our investors, suppliers, customers and staff for their past and continuing support.

Our current progress could not be maintained without the efforts of our able staff and their dedication to your Company.

Yours faithfully

BRIAN C BEAZER

Chairman

Hong Kong

22nd June, 2006