

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Owing to the downsizing of the past investments and the establishment of new investments, the Group's turnover for the financial year ended 31 March 2006 amounted to approximately HK\$16.4 million, representing a 2.5% increase from approximately HK\$16 million for the same period in the previous year. Net loss for the year increased to approximately HK\$78 million from approximately HK\$37 million in the previous year. Basic loss per share was HK\$0.165.

The overview financial year represented a year of fundamental changes. Firstly, the Group has taken a prudent approach by shrinking the existing electronic components trading business which suffered a significant net loss amounted to approximately HK\$17 million over the financial year. The loss resulted from the poor market condition for the Group's electronic components products and the rapid change of technology making certain models of such products become obsolete very fast. The segment contributed to the Group's turnover of approximately HK\$13.6 million and gross loss of approximately HK\$6.9 million during the financial year ended 31 March 2006. The gross loss was due to the utilization of aggressive price reduction strategy to try its best to clear all slow moving stock. On the other side, the Group also made provisions for the obsolete machinery and the disputed balance receivables from customers in respect of the unsatisfactory quality of goods sold by the Group. The above adverse factors are expected to be in effect in the foreseeable future. Subsequent to the balance sheet date, the Group resolved to discontinue the electronic components trading segment so as to conserve the financial resources for new business developments.

Secondly, the Group decided to write off its associate investments, including goodwill and loans, of 50% interest in Intelligent Transport System Holdings Limited and its subsidiaries ("ITS") totaling of approximately HK\$30.1 million. The underlying reasons are that (1) the Group recognized that its core strength is in auto parts and logistics businesses rather than in auto servicing business so that it intended to divest from ITS which provides car alarms and GPS systems for retail customers; (2) the Group evaluated that ITS would no longer provide synergetic gain to the future corporate strategy of the Group and thus the Group would not further invest in ITS; and (3) the dull prospect of ITS due to its lack of capital to develop the market in the PRC made it very difficult for the Group to dispose of its interest in ITS. The write-off will not bring any negative effect to the cashflows of the Group.

In addition, through the dedication of our management, the Group succeeded in restructuring or establishing four new business units: Auto Parts, Logistics, Media and Securities Brokerage. Turnover and profit contributions of these new business units were limited in this financial year.

業務回顧

基於精簡過往投資及成立新投資，本集團於截至二零零六年三月三十一日止財政年度之營業額約為16,400,000港元，較去年同期約16,000,000港元增加2.5%。本年度虧損淨額由去年約37,000,000港元增至約78,000,000港元。每股基本虧損為0.165港元。

回顧財政年度代表著重大改變之一年。首先，本集團已採取審慎方針，將於本財政年度產生顯著虧損淨額約17,000,000港元之現有電子零件買賣業務收縮。該虧損乃由於本集團電子零件產品之市況黯淡，加上科技日新月異，令有關產品之若干型號迅速過時所致。於截至二零零六年三月三十一日止財政年度，該業務為本集團營業額帶來約13,600,000港元之貢獻，同時帶來毛虧損約6,900,000港元。產生毛虧損之原因為本集團採取進取的割價策略，務求促銷所有流轉緩慢之存貨。另一方面，本集團亦就陳舊機器及因客戶不滿意本集團售出貨品之質素所產生與客戶出現爭議之應收賬款結餘作出撥備。預期上述不利因素於可見未來將仍然構成影響。於結算日後，本集團議決終止電子零件買賣業務，以保留財務資源開拓新業務。

其次，本集團決定撤銷其於Intelligent Transport System Holdings Limited及其附屬公司（「ITS」）50%權益的聯營公司投資（包括商譽及貸款），總數約為30,100,000港元。背後原因為：(1)本集團確認其核心優勢是在於汽車零件及物流業務，而並非汽車服務業，因此其擬從替零售客戶提供汽車防盜器及全球衛星定位系統的ITS撤資；(2)本集團已評估ITS將不再為本集團的未來企業策略提供協同效益，因而不會再於ITS作任何進一步投資；及(3)基於欠缺資金發展中國市場，ITS的前景黯淡，使本集團在出售其於ITS的權益時將十分困難。該等撤銷將不會為本集團的現金流量帶來任何負面影響。

此外，全賴管理層竭盡所能，本集團成功重組或成立四個新業務部門：汽車零件、物流、媒體及證券經紀。該等新業務部門對本財政年度之營業額及溢利作出有限貢獻。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OBJECTIVE

The objective of the Group is to establish a solid platform to invest in various businesses including but not limited to automotive-related sectors in the Greater China region through acquisitions of projects with good potential. The ultimate goal is to continuously enhance shareholder's return by excellent management of the acquired projects and new businesses.

PROGRESS ACHIEVED OVER THE PERIOD

(1) Unicla Automotive Air Conditioning Compressor Project

UIL was incorporated in Hong Kong in July 2005. Pursuant to the shareholder's agreement dated 15 December 2005, UIL was owned as to 53% by Lucky Metro Trading Ltd. ("Lucky Metro"), an indirect wholly owned subsidiary of the Company, while 32%, 10% and 5% are owned by International Auto Engineering Limited, Goodford Holdings Ltd. and Costar Universal Limited respectively.

UIL is mainly engaged in investment, trading and manufacturing of compressor business. UIL has established a processing plant in Dongguan, the PRC, namely 東莞茶山優利克拉克汽配廠 (Dongguan Chasan Unicla Auto Parts Factory) (the "Plant") to carry out the processing arrangement for the manufacture of compressors for vehicles. Lucky Metro's investment in the project was approximately HK\$13.3 million. The Plant is expected to commence its operation in the second half of 2006.

The Plant will produce automotive air conditioning compressors applied in various types of vehicles. International sale of UIL's products will be conducted through the Group's Hong Kong headquarters and Japan branch office under the renowned brand name of "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.

(2) Acquisition of Infast Brokerage Limited ("Infast")

On 24 January 2006, the Company through its indirect wholly owned subsidiary, Fullbelief International Limited ("FIL") entered into a sale and purchase agreement with third parties, pursuant to which FIL agreed to acquire the entire issued share capital of Infast at a maximum cash consideration of HK\$10.5 million. The acquisition was completed in June this year. Infast is principally engaged in stockbroking and securities trading related businesses. The Board believes that Hong Kong will continue to serve as one of the Asian pillars in the global stock market and hence will benefit the long-term prospect of Infast.

(3) Exploration into Other New Businesses

Over the past financial year, the Group had developed logistics and media businesses. The former involves provision of cross-border logistics services to clients who are located in Hong Kong and the Pearl River Delta of the PRC. The latter is mainly engaged in production and distribution of TV programmes in Asia-Pacific region.

目標

本集團之目標乃透過收購具良好潛力之項目，於大中華區建立一個可投資各類業務之穩固平台，包括但不限於汽車相關範疇。最終目標乃透過妥善管理所收購項目及新業務，不斷提升股東回報。

於回顧期間取得之進展

(1) 尤里克拉克汽車空調壓縮機項目

尤里克拉克國際於二零零五年七月在香港註冊成立。根據日期為二零零五年十二月十五日之股東協議，尤里克拉克國際由本公司間接全資附屬公司 Lucky Metro Trading Ltd. (「Lucky Metro」) 擁有 53% 權益，而天祥工程設備有限公司、Goodford Holdings Ltd. 及 Costar Universal Limited 則分別擁有其 32%、10% 及 5% 權益。

尤里克拉克國際主要從事壓縮機投資、買賣及製造業務。尤里克拉克國際已於中國東莞市成立名為東莞茶山優利克拉克汽配廠之加工廠房 (「廠房」)，以就製造汽車壓縮機作出加工安排。Lucky Metro 於項目之投資額約為 13,300,000 港元。廠房預期於二零零六年下半年開始運作。

廠房將生產適用於各種汽車之汽車空調壓縮機。本集團將透過香港總辦事處及日本分支辦事處以信譽昭著之「尤里克拉克」品牌於世界各地銷售尤里克拉克國際產品。尤里克拉克國際現為於 16 個國家之「尤里克拉克」商標及於日本、韓國及美國之尤里克拉克國際產品專利權之註冊擁有人及實益擁有人。

(2) 收購進滙證券有限公司 (「進滙」)

於二零零六年一月二十四日，本公司透過其間接全資附屬公司 Fullbelief International Limited (「FIL」) 與第三方訂立買賣協議，據此，FIL 同意以現金代價最多 10,500,000 港元收購進滙全部已發行股本。收購已於今年六月完成。進滙主要從事股票經紀及證券買賣相關業務。董事會相信，香港仍為全球股票市場的亞洲區支柱之一，因而將有利於進滙之長遠發展。

(3) 拓展其他新業務

本集團於過去的財政年度發展物流及媒體業務。前者涉及為香港及中國珠江三角洲客戶提供跨境物流服務；後者主要於亞太區從事電視節目製作及發行業務。

PROGRESS ACHIEVED OVER THE PERIOD (Continued)

(4) Establishment of Branch Offices

Overseas and PRC offices

Apart from the present branch offices in Detroit, Michigan of the United States and Toronto, Ontario of Canada, the Group is in the process of establishing an office in Shanghai, the PRC through setting up of a wholly-owned foreign enterprise. In addition, UIL has a branch office in Nagoya, Japan.

CORPORATE ACTIVITIES

(I) Over the period

(1) Placement of New Shares

In order to raise additional capital and broaden its shareholders base, on 13 May 2005, the Company entered into a placing agreement pursuant to which an aggregate of 345,000,000 new shares of HK\$0.01 each with an aggregate nominal amount of HK\$3,450,000 were placed at HK\$0.04 per share to not less than six investors, each of whom or its ultimate beneficial owners were third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")). The placing price is HK\$0.04 per share, representing a premium of approximately 2.6% to the closing price of HK\$0.039 per share as quoted on the Stock Exchange on 12 May 2005, being the last trading day of the shares immediately before the date of the placing agreement. Taking into account the relevant expenses, the net price of each placing share is approximately HK\$0.038 per share. The net proceeds arising from the placing amounted to approximately HK\$13.2 million which were used as to approximately HK\$2.0 million for administrative expenses and as to approximately HK\$8.2 million for future investments and/or acquisitions, and as to approximately HK\$3.0 million for general working capital purpose.

(2) Capital Reorganization

The capital reorganization involved share consolidation, capital reduction, share premium cancellation and authorized share capital diminution and increase and such reorganization was completed on 26 September 2005. Share consolidation was implemented to consolidate every ten shares of HK\$0.01 each into one share of HK\$0.10 each ("Consolidated Share"). Capital reduction involved a reduction of the nominal value of the then issued share capital from HK\$0.10 per Consolidated Share to HK\$0.01 each ("Adjusted Share") by canceling the paid up capital of HK\$0.09 on each of the issued Consolidated Shares. The share premium cancellation involved the cancellation of the entire amount of approximately HK\$22.4 million standing to the credit of the share premium account of the Group as at 31 March 2005. Each of the authorized but unissued Consolidated Shares was cancelled and immediately thereafter, the authorized capital was increased to HK\$500,000,000 by creation of 49,792,782,284 Adjusted Shares after the capital reorganization became effective.

於回顧期間取得之進展 (續)

(4) 成立分支辦事處

海外及中國辦事處

除現時於美國密茲根州底特律市及加拿大安大略省多倫多設有分支辦事處外，本集團現正透過於中國上海成立一間外商獨資企業，建立一個辦事處。此外，尤里克拉國際於日本名古屋設有分支辦事處。

公司活動

(I) 於回顧期間內

(1) 配售新股

為籌集額外資金及擴闊其股東基礎，於二零零五年五月十三日，本公司訂立配售協議，據此，本集團向不少於六名投資者按每股0.04港元配售合共345,000,000股每股面值0.01港元之新股份，總面值為3,450,000港元。該等投資者或其最終實益擁有人各自為獨立於本公司及其關連人士（定義見香港聯合交易所有限公司（「聯交所」）證券上市規則）之第三方。配售價為每股0.04港元，相當於緊接配售協議日期前股份最後交易日二零零五年五月十二日聯交所所報收市價每股0.039港元有溢價約2.6%。計及相關開支後，每股配售股份淨價格約為0.038港元。配售所得款項淨額約為13,200,000港元，當中約2,000,000港元已用作行政支出，約8,200,000港元作未來投資及／或收購用途，而約3,000,000港元則撥作一般營運資金。

(2) 股本重組

股本重組涉及股份合併、股本削減、股份溢價註銷及法定股本減少與增加，而重組已於二零零五年九月二十六日完成，並已實行股份合併，將每十股每股面值0.01港元之股份合併為一股每股面值0.10港元之股份（「合併股份」）。削減股本涉及透過註銷已發行合併股份之繳足股本每股0.09港元，將當時已發行股本之面值由每股合併股份0.10港元削減至每股0.01港元（「經調整股份」）。註銷股份溢價涉及悉數註銷本集團於二零零五年三月三十一日股份溢價賬之進賬約22,400,000港元。所有法定但未發行合併股份均已註銷，並於股本重組生效後隨即透過增設49,792,782,284股經調整股份，將法定股本增加至500,000,000港元。

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CORPORATE ACTIVITIES (Continued)

(I) Over the period (Continued)

(3) Open Offer

On 5 August 2005, the Company announced to propose to raise not less than approximately HK\$62.1 million before expenses by an open offer of issuing not less than 621,653,148 offer shares at a subscription price of HK\$0.10 per offer share on the basis of three offer shares for every Adjusted Share held (the "Open Offer"). The Open Offer was completed on 18 October 2005. The net proceeds of the Open Offer amounted to approximately HK\$58.5 million which were used as to approximately HK\$15.6 million for repayment of shareholder's loan together with accrued interest, as to approximately HK\$13.3 million for financing the subscription of shares of UIL, as to approximately HK\$8.9 million for acquisition of entire issued share capital of Infast, as to approximately HK\$2.5 million for logistics and media businesses, as to approximately HK\$13.4 million for future investments and as to approximately HK\$4.8 million for general working capital purpose.

(4) Early Repayment of Shareholder's Loan

Prior to the Open Offer, the Company was indebted to Star Metro Investments Limited, which held 19.77% of total issued share capital of the Company, in the principal amount of HK\$15.0 million together with interests at the rate of 8% per annum ("Shareholder's Loan"). The Shareholder's Loan was unsecured and the term would expire on 19 April 2006. Subsequent to the completion of the Open Offer, the Company early repaid the Shareholder's Loan together with interests accrued which was approximately HK\$15.6 million. The early repayment saved finance expenses of the Group.

(5) Appointment of Chairman and Chief Executive Officer of the Company

On 23 September 2005, the Company announced that Mr. Loo Chung Keung Steve was appointed as Chairman of the Company and Mr. Chan Wai Ming was appointed as Deputy Chairman and Chief Executive Officer of the Company with effect from 23 September 2005.

(6) Change of Name of the Company

On 23 September 2005, the Company also announced that the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in Bermuda on 26 September 2005 certifying that the change of name of the Company from "Gorient (Holdings) Limited" to "Carico Holdings Limited" was registered on 23 September 2005.

公司活動 (續)

(I) 於回顧期間內 (續)

(3) 公開發售

於二零零五年八月五日，本公司宣佈擬透過按持有每股經調整股份可獲發三股發售股份之基準，以每股發售股份0.10港元之認購價，以公開發售方式發行不少於621,653,148股發售股份，籌集不少於約62,100,000港元（未計開支前）（「公開發售」）。公開發售已於二零零五年十月十八日完成。公開發售之所得款項淨額約為58,500,000港元，當中約15,600,000港元用於償還股東貸款連同應計利息；約13,300,000港元用於認購尤里克拉國際股份；約8,900,000港元用於收購進滙全部已發行股本；約2,500,000港元用於物流及媒體業務；約13,400,000港元用於未來投資，而餘額約4,800,000港元則撥作一般營運資金。

(4) 提前償還股東貸款

於公開發售前，本公司結欠持有本公司已發行股本總額19.77%之Star Metro Investments Limited本金金額15,000,000港元連同按年利率8厘計算之利息（「股東貸款」）。股東貸款乃無抵押，並將於二零零六年四月十九日到期。於公開發售完成後，本公司已提早償還股東貸款連同應計利息約15,600,000港元。提前還款為本集團節省財務開支。

(5) 委任本公司主席及行政總裁

本公司於二零零五年九月二十三日宣佈，盧重強先生獲委任為本公司主席，而陳偉明先生則獲委任為本公司副主席兼行政總裁，自二零零五年九月二十三日起生效。

(6) 更改公司名稱

於二零零五年九月二十三日，本公司另宣佈，百慕達公司註冊處處長已於二零零五年九月二十六日發出公司更改名稱註冊證書，證明本公司之名稱由「Gorient (Holdings) Limited」更改為「Carico Holdings Limited」已於二零零五年九月二十三日登記。

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CORPORATE ACTIVITIES (Continued)

(II) Subsequent to the period

(1) Change of Board Composition

On 9 May 2006, the Company announced that (i) Mr. Ryoji Furukawa was appointed as non-executive Director and Chairman of the Company; (ii) Mr. Yip Chi Chiu was appointed as executive Director and Deputy Chairman of the Company; (iii) Mr. Loo Chung Keung Steve resigned from the position of Chairman of the Company but remained as an executive Director and Mr. Loo was appointed as the Managing Director of the Company and (iv) Mr. Chan Wai Ming resigned from the position of Deputy Chairman of the Company but remained as an executive Director and Chief Executive Officer of the Company.

(2) 2006 Open Offer

On 7 June 2006, the Company announced to propose to raise not less than approximately HK\$99.5 million but not more than HK\$109.4 million, before expenses, by issuing not less than 829,550,864 but not more than 911,670,864 offer shares at a price of HK\$0.12 per offer share by way of open offer, payable in full on application, on the basis of one offer share for every one existing Share held (the "2006 Open Offer"). The 2006 Open Offer is expected to be completed in September 2006. The net proceeds of the 2006 Open Offer are expected to amount to approximately HK\$94.5 million, of which approximately HK\$63 million will be used to finance the Proposed Investments (as defined below) while approximately HK\$31.5 million will be used for working capital purpose.

(3) Proposed Investments

Proposed Investments refer to the proposed subscription of shares of 江蘇松林汽車零部件有限公司 (Jiangsu Songlin Automobile Parts Co., Ltd.) ("Jiangsu Songlin"), a company incorporated in the PRC. The Company will through the Proposed Investments subscribe approximately 39.4% of the total registered capital of Jiangsu Songlin as enlarged by such subscription pursuant to the non-legally binding memorandum of understanding signed on 24 May 2006. A formal agreement is intended to be signed between the Company and Jiangsu Songlin for the Proposed Investments. The Company has yet to conduct due diligence as well as to negotiate detailed terms of the Proposed Investments. Accordingly, the Proposed Investments may or may not be finalized. The registered capital of Jiangsu Songlin is RMB5.3 million and its business scope includes the manufacturing and sale of automobile parts, agricultural machinery, engineering machinery, plant and machinery for environment protection and electricity generating sets.

公司活動 (續)

(II) 於回顧期間後

(1) 董事會成員變動

於二零零六年五月九日，本公司宣佈(i)古川令治先生獲委任為本公司非執行董事兼主席；(ii)葉志釗先生獲委任為本公司執行董事兼副主席；(iii)盧重強先生辭任本公司主席職位，惟留任執行董事，且獲委任為本公司之董事總經理；及(iv)陳偉明先生辭任本公司副主席職位，惟留任執行董事兼本公司之行政總裁。

(2) 二零零六年公開發售

於二零零六年六月七日，本公司宣佈擬透過公開發售方式，按每持有一股現有股份可獲發一股發售股份之基準，以每股發售股份0.12港元之價格（須於申請時繳足），發行不少於829,550,864股但不多於911,670,864股發售股份（「二零零六年公開發售」），籌集不少於約99,500,000港元但不多於109,400,000港元（未計開支前）。二零零六年公開發售預期將於二零零六年九月完成。二零零六年公開發售所得款項淨額預期約為94,500,000港元，當中約63,000,000港元用作撥付建議投資（定義見下文），而約31,500,000港元則撥作一般營運資金。

(3) 建議投資

建議投資指建議認購於中國註冊成立之江蘇松林汽車零部件有限公司（「江蘇松林」）的股份。根據本公司與江蘇松林於二零零六年五月二十四日簽訂之無法律約束力諒解備忘錄，本公司將透過建議投資認購江蘇松林經擴大股本後總註冊資本約39.4%權益。本公司與江蘇松林擬就建議投資簽訂一項正式協議。本公司有待進行盡職審查及商討建議投資之詳細條款。因此，建議投資不一定落實。江蘇松林的註冊資本為人民幣5,300,000元，其經營範圍包括生產及銷售汽車零部件、農業機械、工程機械、環保設備及發電機組。

BUSINESS OPPORTUNITIES ARISEN FROM THE BLOSSOMING PRC ECONOMY

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 from RMB6,860 to RMB10,493 which translated into an average nominal growth rate of 10.8% annually. Regarding consumer expenditure in the PRC, the average annual growth rate of total retail sales of consumer goods was 11.4% over the past five years. The above figures imply that a vast consumer mass has appeared in the PRC. Setting in the 11th Five-Year Guideline issued in 2005, the PRC government's focus on exploring domestic demand will be another driven force of China's economic growth. Consumption industries like automobile, auto parts, property, retail and finance hence are expected to become the sunrise industries during 2006-2010. Therefore, the Group will put more efforts to identify investments in the aforementioned areas.

PROSPECTS OF THE GROUP

Incorporating with strong background of strategic shareholders, strengthened balance sheet and cash inflow as well as management talent, the Board believes that the Group is on the right track to realise its business objective. The prospects of the businesses of the Group are described in the following paragraphs.

(1) Unicla Automotive Air Conditioning Compressor

"Unicla" is a renowned brand of automotive air conditioning compressor in Japan. UIL's products mainly serve for large-scale and long-distance passenger vehicles. The production base of UIL, the Plant, consists of 18 sets of computerized numeric control machinery and installation thereof had been completed. Formal production is expected to commence in the second half of 2006 with estimated annual production capacity of about 21,000 units of compressors under fully operative conditions. Compressors produced by the Plant will mainly be targeted at export. Given the premier quality of UIL's products and its internationally renowned brand name, it is expected that more and more automobile producers will adopt UIL's products as components of their air conditioning systems.

(2) Stockbroking and Securities-related Business

Infast was incorporated in Hong Kong in 1989 with issued share capital of HK\$20.0 million. It is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and is an Exchange Participant (as defined under the Rules of the Stock Exchange) and a holder of the Stock Exchange trading right. Subsequent to the acquisition of Infast, the Group will leverage on its professional strengths in securities industry and its extensive business network which give the Group an opportunity to establish asset management business in the future.

中國經濟起飛所帶來商機

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由人民幣6,860元增至人民幣10,493元，平均按年名義增長率相當於10.8%。中國消費開支方面，過往五年社會消費品零售總額平均按年增長率為11.4%，上述數字意味中國已湧現大批消費群體。根據二零零五年所頒佈第十一個五年計劃所載，中國政府集中發掘本地需求，將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因而將於二零零六至二零一零年期間成為朝陽行業。因此，本集團將投入更大努力去物色上述範疇之投資商機。

本集團前景

憑藉策略股東之強勁背景、已強化之資產負債及現金流量狀況以及管理層之才幹，董事會相信，本集團正穩步實踐其業務目標。本集團之業務前景於以下各段論述。

(1) 尤里克拉汽車空調壓縮機

「尤里克拉」為日本著名汽車空調壓縮機品牌。尤里克拉國際之產品主要適用於大型及長途客運工具。尤里克拉國際之生產基地為廠房，當中包括18組電腦化數位控制機庫，安裝工作已經完成，預料於二零零六年下半年正式投產。於全面運作情況下，估計每年產能約為21,000台壓縮機。於廠房生產之壓縮機將以出口為主。基於尤里克拉國際產品質素優越，且為國際知名品牌，預期愈來愈多汽車生產商將採納尤里克拉國際產品，作為其空調系統之零件。

(2) 股票經紀及證券相關業務

進滙於一九八九年在香港註冊成立，已發行股本為20,000,000港元。該公司乃根據香港法例第571章證券及期貨條例可從事第1類（證券買賣）受規管活動之持牌法團，為交易所參與人士（定義見聯交所規則）及聯交所買賣權持有人。收購進滙後，本集團將借助其於證券界之專業實力及龐大的業務網絡，讓本集團有機會於日後成立資產管理業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS OF THE GROUP (Continued)

(3) Other New Businesses

With the accelerating tendency of the manufacturing bases being relocated into South China especially the Pearl River Delta and hence the persistent increase in freight traffic between South China and Hong Kong, demand for the Group's logistics service has been increasing. It is expected that after the inauguration of formal production in the Plant, the Group's logistics business scale will be further expanded.

Referring to the prospect of media business engaged by the Group, the increase of TV channels in the PRC in line with the digitalization process will lead to a growing demand for quality TV programmes. Meanwhile, TV programmes produced by the PRC are also striving to export. The Group has professionals specializing in programme production, and sourcing as well as distributing programmes within Asia-Pacific region. Thus, it is expected that the Group will benefit from the positive development prospect in the media industry in the region.

(4) Strategic Investments

The Group has been diversifying the risks of automotive component business by identifying strategic investments with promising growing prospect, giving the Group opportunities to make profits in advantageous market conditions. In an effort to diversify the cyclical risk of the industry and to utilize its idle financial resources more effectively, the Board believes that appropriate strategic investments can lift the shareholder's return on the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2006, the Group had non-current assets of approximately HK\$11.2 million which mainly comprised property, plant and equipment, goodwill and investments in associates, and current assets of approximately HK\$68.8 million which mainly comprised inventory, receivables and cash. In addition, the Group has no borrowings and hence recorded net cash of approximately HK\$32.5 million.

EXCHANGE EXPOSURE

The Group's transactions were mainly denominated in Hong Kong dollars and US dollars. Given that the exchange rate of Hong Kong dollars against US dollars has been and is likely to remain stable, the Board considers that the Group's risk on foreign exchange will remain minimal. The Group had no foreign exchange rate hedging arrangement during the year.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2006, the Group has not pledged any kind of assets and had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2006, the Group had 29 employees in Hong Kong, 60 employees in the PRC and 4 employees in Japan respectively. The remuneration policies are subject to review by the Board with reference to market conditions and performance of staff. The Group participates in Mandatory Provident Fund Scheme in Hong Kong and State-managed retirement benefit scheme in the PRC. It also provides provident fund scheme and labour insurance for employees in Japan. The Group has a share option scheme for the benefit of its directors and eligible employees of the Group.

本集團前景 (續)

(3) 其他新業務

隨著生產基地逐步遷往華南地區，尤其是珠江三角洲，往返華南與香港兩地之貨運物流因而持續增加，對本集團物流服務之需求隨之與日俱增。預期廠房正式投產後，本集團之物流業務規模將進一步擴充。

至於本集團所從事媒體業務之前景，數碼化發展帶動中國電視頻道增加，導致優質電視節目需求日益殷切。與此同時，中國本土製作的電視節目亦以賣埠為重點。本集團聘有精通節目製作、採購及於亞太區發行節目之專業人才。因此，預期本集團將受惠於區內媒體行業之正面發展前景。

(4) 策略投資

本集團一直透過物色增長前景理想之策略投資，以分散汽車零件業務風險，從而給予本集團於有利市況中獲利之機會。為分散行業周期性風險及更有效運用可動用的財務資源，董事會相信，合適之策略投資可提高本集團的股東回報。

流動資金及財務資源

於二零零六年三月三十一日，本集團之非流動資產約為11,200,000港元，主要包括於物業、廠房及設備、商譽及聯營公司之投資，而流動資產約為68,800,000港元，主要包括存貨、應收賬款及現金。此外，本集團並無借貸，因而錄得現金淨額約32,500,000港元。

外匯風險

本集團之交易主要以港元及美元結算。鑑於港元兌美元匯率一直且極可能維持穩定，董事會認為，本集團之外匯風險將仍然有限。年內，本集團並無作出外匯對沖安排。

資產抵押及或然負債

於二零零六年三月三十一日，本集團並無任何種類資產抵押，亦無重大或然負債。

僱員及薪酬政策

於二零零六年三月三十一日，本集團於香港、中國及日本分別聘有29名、60名及4名僱員。薪酬政策須由董事會參考市況及員工表現檢討。本集團參與香港的強制性公積金計劃及中國的國家管理退休金計劃，亦為日本僱員提供退休保障計劃及勞工保險，同時設有購股權計劃，作為其董事及合資格僱員之福利。