

I am pleased to present herewith the first annual report of Winbox International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2006.

Listing on the Main Board of The Stock Exchange of Hong Kong Limited

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company on 30 September 2005 and was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 June 2006.

Results Overview

For the year ended 31 March 2006, revenue of the Group experienced modest growth of approximately 15.7% as compared to the year ended 31 March 2005. Gross profit margin was approximately 38.2%. However, net profit for the year ended 31 March 2006 decreased from approximately HK\$30.2 million to approximately HK\$26.8 million, representing a drop of approximately 11.2% as compared to the year ended 31 March 2005. The decrease was mainly due to the one-off administrative expenses of approximately HK\$5.2 million incurred during the year for the preparation of the listing of the Company. Save for the above reason, the net profit increased by approximately 6.1% as compared to last year.

Business Review

The Group is principally engaged in the design, manufacturing and sales of packaging products, the major customers of which are manufacturers of internationally recognised branded and luxury consumer merchandise such as watches, pens, jewellery, gifts and accessories. The Group's packaging products are mainly packaging cases made of plastic, paper or wood with leatherette, artificial suede, velvet, satin, paper or other materials mounted on the surface, bags and pouches. The Group is also engaged in the design, manufacturing and sales of retail display units.

The Group's packaging products are sold mainly overseas. A majority of the Group's packaging products are sold directly to customers located in Europe and North America, which includes internationally recognised brand names and luxury brand names. The Group maintains direct contact with these customers and does not rely on distributors and wholesalers to distribute or market its products. For the year ended 31 March 2006, sales to Europe and North America accounted for approximately 73.0% of the Group's revenue.

The Group often conducts business directly with international branded corporations and luxury consumer merchandise manufacturers. In particular, Dardel, the Group's wholly-owned subsidiary in France, has been maintaining direct business relationships with several reputable brand names in France for over eight years. I believe that these direct business relationships with customers enable the Group to keep abreast of latest product developments, to create a barrier of entry for its competitors and to maintain a consistent profit margin.

Leveraging on its design capabilities and experience in producing packaging cases and in order to diversify its business, the Group has recently developed its own line of retail products, the "Kolorkombi" series. The "Kolorkombi" series of products are characterised by their colourful appearance and their multi-purpose usage.

Prospects

I believe that the Group's production facilities in Longhua Town, Shenzhen, the PRC will be approaching its full capacity in the near future. In view of the increasing demand and in order to further expand its operation, the Group plans to expand its production facilities. The Group is currently planning to purchase a parcel of land in the Guangdong Province, the PRC and build its own production facilities. I believe that the new production facilities will increase the Group's production capacity and thereby enable the Group to capture further demand and to achieve further economies of scales. In addition to the increase in production capacity, the Group also aims at installing new machinery at its new production facilities to cater the needs of the more diversified technical requirements of customers. The Group intends to fund the purchase of the land and the construction of the new production facilities from internal resources and possible bank financing.

Following the initial success of the launch of its "Kolorkombi" products, the Group plans to develop its own retail products further under the "Kolorkombi" brand. The Group will continue to explore the retail market for the existing "Kolorkombi" products. In addition, different sizes and different shapes of "Intistack" and other product series under the "Kolorkombi" brand to cater for different needs of the customers are under development and planned to be launched in the future.

CHOI HON HING
CHAIRMAN
26 July 2006