

## Chairman's Statement

Dear shareholders,

I am pleased to present the annual report of Henry Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31<sup>st</sup> March, 2006.

The financial year under review posed a great challenge to the Group as the information technology industry worldwide generally had been under intense competition. The Group recorded a consolidated turnover of approximately HK\$403,915,000 which represented a decrease of approximately 26.7% from that of the last financial year. Facing the difficult business environment and impaired by the low-price trend in the computer industry, the Group's businesses of supply of computer components and related products have been under rigorous challenges. The net loss of the Group increased from approximately HK\$7,206,000 of the last financial year to approximately HK\$11,722,000 of the current year. The Directors do not recommend a dividend for the year.

Following the change of control with Henry Jewellery Holdings Limited having become the controlling shareholder of the Company and a new board of directors having been appointed (the "Board"), the Company completed a share subscription exercise which strengthened its financial position and provided additional financial resources to pursue new investment opportunities. With effect from 3<sup>rd</sup> June, 2006, the Company's name was changed from Zida Computer Technologies Limited "華基電腦科技有限公司" to Henry Group Holdings Limited "鎮科集團控股有限公司" in order to symbolize the change of control.

In March 2006, the Group announced the proposed acquisition of 55% equity interest in an established property agency and consultancy company named Uni-Land Property Consultants Limited (the "Uni-Land") (the "Acquisition"), with details disclosed in the Company's circular dated 30<sup>th</sup> March, 2006, as part of our long-term corporate development initiative to broaden the Group's business horizon and its income stream. Having evaluated the future growth potential of the property agency and consultancy services industry, in particular the retail shop market in which Uni-Land is specialized, the Board is of the view that the Acquisition will provide a good opportunity enabling the Group to make its first advance into this burgeoning business segment and leverage my substantial investment experience in the property market in Hong Kong and Macau on the Uni-Land's operation to create synergies. The Acquisition was completed on 7<sup>th</sup> April, 2006.

Looking forward, the Board will proactively look for new and viable business opportunities, with the objective of turning around the Group's operation and delivering the best returns for our shareholders.

The Group would like to express its appreciation for the services rendered by the members of the former board over the past years. On behalf of the Board, I would like to thank my fellow directors, our supportive shareholders, our loyal customers and suppliers and dedicated staff for their confidence and continued support in the Group.

**Ng Chun For, Henry**

*Chairman*

Hong Kong, 21<sup>st</sup> July, 2006