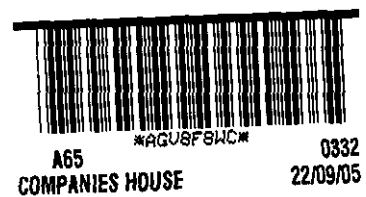


Company Registration No. 3769924 (England and Wales)

UC CAPITAL LTD
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



UC CAPITAL LTD

COMPANY INFORMATION

Director	R J Robinson
Secretary	S J L Linford
Company number	3769924
Registered office	The Mansion House Plaistow Lane Bromley Kent BR1 3TP
Registered Auditors	The Gallagher Partnership LLP 69/85 Tabernacle Street London EC2A 4RR

UC CAPITAL LTD

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UC CAPITAL LTD

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The director presents his report and financial statements for the year ended 31 December 2004.

Principal activities

The company's principal activity is the provision of consultancy services, and to act as a holding company for UC Group's minority investments. The company has an indirect 50% investment in UC Asia Limited, a Hong Kong based internet group comprising four businesses in partnership with Robert Wang. UC Asia is currently trading at low levels however, the directors anticipate an increase in the scale of that operation during 2005 and 2006.

The directors are planning to launch a regulated investment advisory business during 2005. The company has researched a number of investment opportunities that may be made available primarily to shareholders of UC Group.

The company changed its name from UC Capital.com Limited to UC Capital Limited on 8 January 2004.

Directors

The following directors have held office since 1 January 2004 unless stated:

J A Paulsen

(Resigned 26 January 2004)

R J Robinson

Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

The interests of J A Paulsen and R J Robinson in the issued share capital of UC Group Limited, the company's ultimate parent company, are disclosed in that company's financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that The Gallagher Partnership LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

UC CAPITAL LTD

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

Director's responsibilities

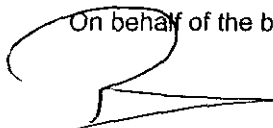
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for the system of internal control and safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



R J Robinson

Director

12 September 2005

UC CAPITAL LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UC CAPITAL LTD

We have audited the financial statements of UC Capital Ltd on pages 4 to 9 for the year ended 31 December 2004. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

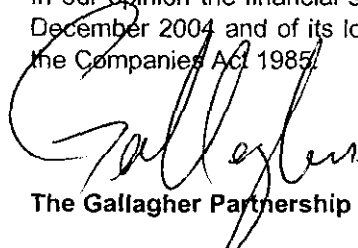
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


The Gallagher Partnership LLP

Chartered Accountants
Registered Auditors

21/9/05

69/85 Tabernacle Street
London
EC2A 4RR

UC CAPITAL LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		2004	2003
	Notes	£	£
Turnover		19,233	-
Administrative expenses		(92,800)	(5,000)
Operating loss		(73,567)	(5,000)
Other interest receivable and similar income		90	-
Loss on ordinary activities before taxation		(73,477)	(5,000)
Tax on loss on ordinary activities	2	-	-
Loss on ordinary activities after taxation	7	(73,477)	(5,000)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

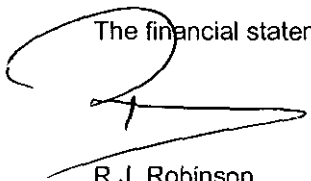
UC CAPITAL LTD

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Investments	3		7,600		7,600
Current assets					
Debtors	4	64,595		8,475	
Cash at bank and in hand		14,528		-	
		<u>79,123</u>		<u>8,475</u>	
Creditors: amounts falling due within one year	5	<u>(7,600)</u>		<u>(13,475)</u>	
Net current assets/(liabilities)			<u>71,523</u>		<u>(5,000)</u>
Total assets less current liabilities			<u>79,123</u>		<u>2,600</u>
Capital and reserves					
Called up share capital	6	8,600		7,800	
Share premium account	7	149,000		-	
Profit and loss account	7	<u>(78,477)</u>		<u>(5,000)</u>	
Shareholders' funds - equity interests	8		<u>79,123</u>		<u>2,600</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 12 September 2005


R J Robinson
Director

UC CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

A summary of the principal accounting policies all of which have been applied consistently throughout the year and preceding year, is set out below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Taxation

Corporation tax payable is provided on taxable profits at the current rates.

Deferred tax is provided in full on all timing differences that result in obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations of periods different from those in which they are included in the financial statements. Deferred assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of UC Group Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

UC CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

2 Taxation

	2004 £	2003 £
Current tax charge	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(73,477)	(5,000)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	(22,043)	(1,500)
Effects of:		
Group relief	22,043	1,500
	22,043	1,500
Current tax charge	-	-

3 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2004 & at 31 December 2004	7,600

The company has a 100% investment in a dormant company, UC Capital Holdings Limited, which is registered in England & Wales. UC Capital Limited has an indirect 50% investment in UC Asia Limited, a company registered in Hong Kong. UC Asia Limited acts as a holding company for four other companies registered in Hong Kong, one of which is active.

The company owns 18% of each of Globalis Limited and Lipton Consulting Limited, both registered in England & Wales. These investments have been fully written off.

UC CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

4 Debtors	2004 £	2003 £
Amounts owed by group undertakings	57,407	7,600
Other debtors	7,188	875
	<u>64,595</u>	<u>8,475</u>

5 Creditors: amounts falling due within one year	2004 £	2003 £
Amounts owed to group undertakings	<u>7,600</u>	<u>13,475</u>

6 Share capital	2004 £	2003 £
Authorised		
1,000,000 Ordinary shares of £0.01 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
860,000 Ordinary shares of £0.01 each	<u>8,600</u>	<u>7,600</u>

During the year the authorised shares were consolidated and the 100,000,000 £0.0001 ordinary shares became 1,000,000 £0.01 ordinary shares.

During the year 100,000 ordinary shares of £0.01 each were allotted and fully paid at £1.50p per share.

7 Statement of movements on reserves	Share premium account £	Profit and loss account £
Balance at 1 January 2004	-	(5,000)
Retained loss for the year	-	(73,477)
Premium on shares issued during the year	149,000	-
Balance at 31 December 2004	<u>149,000</u>	<u>(78,477)</u>

UC CAPITAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

8	Reconciliation of movements in shareholders' funds	2004 £	2003 £
	Loss for the financial year	(73,477)	(5,000)
	Proceeds from issue of shares	150,000	-
	Net addition to/(depletion in) shareholders' funds	76,523	(5,000)
	Opening shareholders' funds	2,600	7,600
	Closing shareholders' funds	79,123	2,600

9 Ultimate parent company and control

The immediate and ultimate parent company is UC Group Limited, a company registered in England and Wales.

The ultimate controlling party is J A Paulsen, a director of the parent company.

UC Group Limited prepares group financial statements and copies can be obtained from - The Mansion House, Plaistow Lane, Kent BR1 3TP.