Annual Report

2011

Fairson Holdings Limited
鉦皓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

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This Report, for which the directors (the "Directors") of Fairson Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Report misleading.

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Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Fairson Holdings Limited (the "Company") and its subsidiaries (together the "Group"), I am pleased to present to our shareholders the first annual results of the Group for the year ended 31 March 2011, after the successful listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under stock code 8132.

Year 2011 is a milestone year for the Group. The successful listing of the Company's shares on 18 May 2011 has provided us with a strong platform for further development and growth of the Group's business. We are excited to grasp this precious opportunity to grow the business leveraging on our edges. Through rapid business expansion over these years, the Group has grown to become a recognised manufacturer of power and data cords in the industry. We have also successfully won high recognition from top mobile handset providers and customers.

The Group's key business objectives are to establish itself as a leading manufacturer in the power and data cords industry and to enhance return to our shareholders through capitalising on its competitive edges for sustainable growth. To achieve our business objectives, the Group intends to adopt diverse strategies in the future to facilitate our development. First of all, we will utilise part of our net placement proceeds for acquiring a piece of land and constructing a new production plant in the People's Republic of China (the "PRC"). We believe that it is in the long-term interest of the Group to construct its own production plant. Secondly, the Group will continue to devote itself to developing, manufacturing and selling of new products so as to meet market demands and reinforce the Group's competitiveness in the market.

Last but not least, on behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to all fellow Directors and our staff for their dedication to the Group's development. I would also like to thank all of our shareholders and business associates for their continuous support. The Group will continue to strive for sustainable growth in the future.

Yeung Tin Hung
Chairman
24 June 2011

Corporate Information

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A-C, 9th Floor
Yue Cheung Centre
1-3 Wong Chuk Yeung Street
Fotan, Shatin, New Territories
Hong Kong

HEADQUARTERS

Block Nos. 3, 4 and 5
Dong Feng Industrial Area
Song Gang Community
Song Gang Sub-district
Baoan District
Shenzhen
Guangdong Province
The PRC

COMPANY'S WEBSITE

www.sunfairw.com.hk

BOARD OF DIRECTORS

Executive directors

Mr. Yeung Tin Hung *(Chairman)*
Mr. Yeung Shing Wai
Mr. Chen Tian Gang
Mr. Zhou Yu Hui

Non-executive director

Mr. Wong Chi Yung

Independent non-executive directors

Mr. Li Hin Lung
Mr. Chan Kai Wo
Mr. Chua Hoon Chong

LEGAL ADVISERS

As to Hong Kong Law:
Tung & Co

AUDITOR

PricewaterhouseCoopers

STOCK CODE

8132

COMPANY SECRETARY

Ms. Kwok Tsz Ling, ACCA, CPA

COMPLIANCE OFFICER

Mr. Yeung Shing Wai

AUTHORISED REPRESENTATIVES

(for the purpose of the GEM Listing Rules)

Mr. Yeung Tin Hung
Ms. Kwok Tsz Ling

Corporate Information

AUDIT COMMITTEE

Mr. Li Hin Lung *(Chairman)*
Mr. Chua Hoon Chong
Mr. Chan Kai Wo

NOMINATION COMMITTEE

Mr. Yeung Tin Hung *(Chairman)*
Mr. Li Hin Lung
Mr. Chua Hoon Chong

REMUNERATION COMMITTEE

Mr. Yeung Tin Hung *(Chairman)*
Mr. Li Hin Lung
Mr. Chua Hoon Chong

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

COMPLIANCE ADVISER

Quam Capital Limited
Room 3208, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

Management Discussion and Analysis

FINANCIAL REVIEW

Results

For the year ended 31 March 2011, the Group's total revenue was approximately HKD160,213,000 (2010: HKD160,012,000), representing an increase of approximately 0.1% over the same period last year. The net profit of the Group decreased by approximately 24.9% to approximately HKD18,023,000 (2010:HKD24,010,000). The decrease in net profit was mainly due to the increase in subcontracting fee, by approximately HKD4,293,000, increase in staff costs (excluding one-off staff benefits of HKD13,800,000 charged in 2010) by approximately HKD7,561,000 and goodwill impairment provision of approximately HKD3,244,000, offset by the fair value gain on the Group's previously held 50% equity interests in Sun Fair Electric Wire & Cable Industrial Co. Limited ("SunFair Industrial") of approximately HKD5,521,000 recorded during the year ended 31 March 2011.

The Board does not recommend the payment of the final dividend for the year ended 31 March 2011.

BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of power and data cords. Its key product groups are (i) power cords and inlet sockets for household electric appliances; (ii) power and data cords for mobile handsets and medical control devices; and (iii) raw cables.

Sales in power cords and inlet sockets for household electric appliances, power and data cords for mobile handsets and medical control devices, and raw cables accounted for approximately 26.2%, 65.7% and 7.1% (2010: 27.5%, 50.7% and 18.3%) of the Group's total turnover, respectively, in this financial year.

During the year under review, Hong Kong and the PRC continued to be the Group's major markets, accounting for approximately 76.5% of the Group's total sales. The remaining approximately 23.5% of sales were generated from customers located in Taiwan, Brazil and the United States.

With over 20 years of experience, the Group is currently engaged in the manufacture and sale of over 850 types of power and data cord products. The Group is also involved in the manufacture and sale of raw cables without connector plugs for mobile handsets and the assembly and sale of medical control devices, which are used primarily by patients in hospital wards and the related accessories.

Key Product Groups

Power cords and inlet sockets for household electric appliances

For the year under review, revenue from power cords and inlet sockets for household electric appliances was approximately HKD42.0 million, representing a decrease of 4.3% from last year (2010: HKD43.9 million). Revenue from this product segment accounted for approximately 26.2% of the Group's total revenue.

The Group produced many product series for power cords and inlet sockets used in household electric appliances. The power cords and inlet sockets have received safety approvals and/or certificates. Some have also received eleven types of international safety standards.

Power and data cords for mobile handsets and medical control devices

During the year under review, the Group's revenue from power and data cords for mobile handsets recorded at approximately HKD86.8 million, representing an increase of approximately 36.0% from last year (2010: HKD63.8 million). Revenue from this product group accounted for approximately 54.2% of the Group's total revenue.

The power and data cords are essential accessories for all mobile handsets that are generally used for power charging and data transfer. To meet the demand of technological innovation, the Group has produced certain different specifications of mobile handsets power and data cord products with micro-A and micro-B USB connectors, which can facilitate higher data transmission speed and audiovisual output quality, and conform to the new standard of mobile handset design set by Ministry of Industry and Information Technology of the PRC.

During the year, revenue for the Group's medical control devices amounted to approximately HKD18.5 million, representing an increase of approximately 6.9% from last year (2010: HKD17.3 million). Revenue from this product segment accounted for approximately 11.5% of the Group's total revenue.

The medical control devices are multi-functional products which consist of pillow speakers, bed controls, bed cables and call cords. All products are exported to a customer in the United States for further assembling and processing into final products which to be sold to hospitals and clinics. Final products are tested by the customer to ensure their compliance with the relevant United States regulatory requirements.

Raw cables

Revenue from raw cables was approximately HKD11.3 million (2010: HKD29.2 million), which represented approximately 7.1% of the Group's total revenue. The decrease of revenue from raw cables by approximately 61.3% mainly due to the Group's strategy to concentrate on integrated products with connectors rather than selling 2-pin raw cables. The main raw cables produced by the Group are 2-pin power and data cords without connector plugs, which are used as power charging for mobile handsets.

The Group also manufactures raw cables using halogen-free materials based on the needs and requirements of its customers.

Outlook

Looking ahead, the Group plans to acquire a piece of land in the PRC for the construction of a new production plant. The Group has conducted preliminary assessments of different locations in Guangdong province of the PRC, in particular, Dongguan and Shenzhen, to identify a piece of suitable land for the construction of the new production plant. The Group intends to use approximately HKD16.0 million and HKD7.0 million respectively of the net proceeds from the Company's placing amounted to approximately HKD29.6 million for acquisition of the land and the construction of new production plant. Certain or all of its production facilities will be relocated to the new production plant upon completion. It is expected that the construction will take one year and the plant will commence operation in early 2013. The Group expects the new production plant will enable a stable manufacturing environment and enhance the overall cost effectiveness and production efficiency.

Riding on the economic growth and the boom in the telecommunications industry in the PRC, the Group will grasp every opportunity to expand the Group's business. As the PRC has become the largest market of mobile handset users in the world, the Group intends to expand its sales capability in power and data cords for mobile handset products and the new micro-USB and mini-HDMI power and data cord products in the PRC market. The Group plans to complete the purchase of certain additional equipment and the construction and installation of full production facilities for the manufacture of mini-HDMI and micro-USB power and data cords by March 2012. Also, the Group will focus on improving the transmission speed and output quality in power and data cords for mobile handsets, in order to enhance it competitive edges in this industry.

In the future, the Group will continue to devote itself to the development, manufacture and sale of new products to meet market demands. The Group will also increase promotion to its existing customers and attract other renowned mobile handset providers by actively participating in industry trade fairs and exhibitions. It is believed that such expansion in clientele and the sales network would help maximise the profitability of the Group.

Management Discussion and Analysis

Annual general meeting

The 2011 Annual General Meeting of the Company ("2011 Annual General Meeting") will be held on Friday, 19 August 2011.

Closure of register of members

For the purpose of determining the identity of the shareholders who are entitled to attend and vote at the 2011 Annual General Meeting, the register of members of the Company will be closed from Wednesday, 17 August 2011 to Friday, 19 August 2011, both days inclusive, during which no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Tuesday, 16 August 2011.

Employees' remuneration policy

As at 31 March 2011, the Group employed approximately 600 full time management, administrative and production staff mainly in the PRC and Hong Kong. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Staff benefits include medical schemes, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for employees in the PRC. We also provide training programs for our employees to equip themselves with the requisite skills and knowledge and offers a share option scheme to recognise employees who make significant contributions.

Purchase, sale or redemption of the Company's listed companies

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year ended 31 March 2011.

Neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the year ended 31 March 2011.

Liquidity, financial resources and capital structure

At the end of March 2011, the combined indebtedness of the Group was approximately HKD15,305,000. The borrowings are denominated in Hong Kong dollars. The bank balances and cash amounted to approximately HKD6,507,000.

At the end of March 2011, the Group's trade receivables balance was approximately HKD34,169,000, representing approximately 21.3% of the year's turnover of approximately HKD160,213,000. The Group adopted a stringent credit policy to minimize credit risk.

At the end of March 2011, the Group had capital commitment of approximately HKD280,000 representing capital expenditure in respect of acquisition of property, plant and equipment.

The interest coverage for the year ended 31 March 2011 was 27.0 times as compared to 39.4 times for the year ended 31 March 2010.

Exposure to foreign exchange risk

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group enters into foreign exchange forward contracts with external financial institutions to mitigate such foreign exchange risk. The Group also mitigates this risk by maintaining Hong Kong dollar, United States dollar and Renminbi bank accounts to pay for the transactions denominated in these currencies.

As at 31 March 2011, if Hong Kong dollar had weakened/strengthened by 3.5% against Renminbi, with all other variables held constant, the Group's profit after income tax for the year would have been decreased/increased by approximately HKD143,000 (2010: HKD223,000), mainly as a result of foreign exchange losses/gains on translation of Renminbi denominated monetary assets and liabilities.

Gearing ratio

As at 31 March 2011, the gearing ratio of the Group was 17.2%. (2010: 27.7%). Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings'as shown in the combined statement of financial position) less cash and cash equivalents. Total capital is calculated as 'Equity' as shown in the combined statement of financial position plus net debt.

Pledge of assets

As of 31 March 2011, the Group's following assets are pledged to secure its bank borrowings:

a) The Group's buildings and leasehold land with an aggregate net book value of HKD4,645,325 (2010: HKD6,548,488);

b) The Group's financial assets at fair value through profit or loss with an aggregate fair value of HKD1,016,838 (2010: HKD959,755); and

c) Pledge of the Group's bank deposits with an aggregate net book value of HKD2,523,824 (2010: HKD2,513,635).

ACQUISITION ACTIVITIES OF THE GROUP

On 31 March 2010, the Group acquired the issued share capital representing 50% equity interests in SunFair Industrial from Mr. Yeung Tin Hung at a consideration of HKD1,189,273. On 31 May 2010, the Group acquired the remaining 50% equity interest in SunFair Industrial from Mr. Li Shi Bin at a consideration of HKD10,000,000 and thereafter SunFair Industrial became a wholly owned subsidiary of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at 31 March 2010 and 31 March 2011.

Report of the Directors

The Directors submit their report together with the audited combined financial statements of the Group for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The subsidiaries of the Company and their activities are set out in note 1.2 to the combined financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the combined financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the combined statement of comprehensive income on page 23.

The Directors do not recommend the payment of the final dividend.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 22 to the combined financial statements and the Company's statement of changes in equity on page 84 respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the combined financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 6 to the Company's financial statements.

DISTRIBUTABLE RESERVES

No distributable reserves of the Company at 31 March 2011, calculated under the companies Law of the Cayman Islands.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

THREE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last three financial years is set out on page 90 of the annual report.

SHARE OPTION SCHEME

The Company has a share option scheme ("Scheme") which was adopted pursuant to a resolution of the sole shareholder passed on 27 April 2011 and adopted by a resolution of the Board on 27 April 2011. The purpose of the Scheme is to attract, retain and motivate talented Participants (as defined below), to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the Participants to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Company attained through their efforts and contributions.

The Scheme became effective on 27 April 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption of the scheme. The terms of the Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules.

Eligible participants (the "Participants") of the Scheme include the following:

a) any executive or non-executive Director including any independent non-executive Director or any employee (whether full-time or part-time) of any member of the Group;

b) any adviser or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group;

c) any provider of goods and/or services to the Group;

d) any other person who the Board considers, in its sole discretion, has contributed to the Group; and

e) any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any of those of (a), (b), (c) and (d) above;

As at the date of this report, the total number of shares of the Company available for issue under the Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commenced on the Stock Exchange, i.e. 55,000,000, representing 10% of the issued share capital of the Company as at the date of listing and at the date of this Report.

The maximum number of shares issuable upon exercise of the options which may be granted under the Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each Participant (other than a substantial shareholder, chief executive or Director as explained below) in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the GEM Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HKD5 million, in the 12-month period up to and including the date of grant, are subject to Shareholders' approval in the general meeting.

Report of the Directors

The offer of a grant of share options may be accepted by a Participant within 28 days from the date of offer upon payment of a nominal consideration of HKD1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the conditional adoption of the Scheme by our shareholders subject to the provisions for early termination under the Scheme.

The subscription price for the shares under the Scheme shall be a price determined by the Board at its sole discretion and shall be no less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant, which must be a business day, (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a share.

Subject to the earlier termination of the Scheme in accordance with the Scheme rules, the Scheme will remain effective until 26 April 2021.

No option has been granted under the Scheme as at the date of this annual report.

DIRECTORS

The Directors during the year and up to the date of this Report were:

Executive Directors

Mr. Yeung Tin Hung	(Chairman and appointed on 27 April 2011)
Mr. Yeung Shing Wai	(Appointed on 23 November 2010)
Mr. Chen Tian Gang	(Appointed on 23 November 2010)
Mr. Zhou Yu Hui	(Appointed on 23 November 2010)

Non-executive Director

Mr. Wong Chi Yung	(Appointed on 3 June 2011)

Independent non-executive Directors

Mr. Li Hin Lung	(Appointed on 27 April 2011)
Mr. Chan Kai Wo	(Appointed on 27 April 2011)
Mr. Chua Hoon Chong	(Appointed on 27 April 2011)

In accordance with Article 84 of the Company's Articles of Association, Messrs. Mr. Yeung Shing Wai, Mr. Chen Tian Gang and Mr. Zhou Yu Hui will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 83 of the Company's Articles of Association, Mr. Wong Chi Yung will be retired and, being eligible, offer himself for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of Directors are as follows:

Executive Directors

Mr. Yeung Tin Hung (楊天洪), aged 54, is the Chairman of the Company. He was appointed as an executive Director on 27 April 2011. Mr. Yeung Tin Hung has accumulated over 25 years of experience in the power and data cord industry. From 1982 to 1987, he worked in Ming Tak Electrical Co which was principally engaged in the manufacture of power cords and was responsible for the management and production. He then setup Sun Fair Electric Wire & Cable Company Limited in 1990 and was responsible for production management and products engineering and development. He is currently responsible for overall strategic planning and direction of the Group.

Mr. Yeung Shing Wai (楊成偉), aged 25, was appointed as an executive Director on 23 November 2010. He is also the compliance officer of the Company. He is currently the senior manager of the Group and has been responsible for the management of finance and marketing of the Group since February 2009. Mr. Yeung Shing Wai has nearly six years' experience in the power and data cord industry since he joined the Group in 2004. He had served as a manager in the sales and marketing department of the Group from January 2004 to February 2009. Mr. Yeung Shing Wai is the son of Mr. Yeung Tin Hung.

Mr. Chen Tian Gang (陳天鋼), aged 37, was appointed as an executive Director on 23 November 2010. He has been the deputy general manager of the Group since January 2002. He is responsible for the management of production and quality assurance of the Group. He also assists the general manager in the daily operation of the Group. Mr. Chen joined the Group after graduating from 福建農林大學 (Fujian Agricultural and Forestry University) (formerly known as 福建農業大學 (Fujian Agricultural University)), majoring in tea studies in 1995. He had served as the department head of the raw materials department and the head of production unit of the Group. Mr. Chen joined 寶安區松崗三輝電線廠 (Baoan District Songgang Sun Fair Wire Factory) in 1995 and has over 15 years' of experience in the power and data cord industry. Mr. Chen is the nephew of Mr. Yeung Tin Hung.

Mr. Zhou Yu Hui (周煜輝), aged 32, was appointed as an executive Director on 23 November 2010. He is currently the head of the procurement department of the Group and has been responsible for the management of the inventories and procurement of raw materials of the Group since June 2002. He has served in procurement department for nearly eight years since joining the Group in 2002. Mr. Zhou is the brother-in-law of Mr. Chen Tian Gang.

Report of the Directors

Non-executive Directors

Mr. Wong Chi Yung (王志勇), aged 27, was appointed as an non-executive Director on 3 June 2011. Mr. Wong started his career in an international accounting firm for over 2 years focusing on assurance and advisory business services. He subsequently engaged as an operation controller in a company listed in the main board of the Stock Exchange, which is mainly engaged in the cinema business in the PRC. Mr. Wong holds a bachelor degree of business administration in Management of Organizations and Finance from The Hong Kong University of Science and Technology.

Independent non-executive Directors

Mr. Li Hin Lung (李顯龍), aged 45, was appointed as an independent non-executive Director on 27 April 2011. Mr. Li has over 12 years of experience in audit, tax advisory and company secretary services. Mr. Li was employed by K.L Lee & Partners C.P.A. Limited as a senior auditor from 1997 to 2000. Since 2000, Mr. Li has started his own accounting firm and provided audit, tax advisory and company secretarial services. Mr. Li obtained a higher certificate in accountancy from the Hong Kong Polytechnic, currently known as the Hong Kong Polytechnic University, in 1991. He is an associate of the Hong Kong Institute of Certified Public Accountants, an associate of the Association of Charted Certified Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong.

Mr. Chan Kai Wo (陳啟和), aged 49, was appointed as an independent non-executive Director on 27 April 2011. He has been the director of the toys & hobbies department of The Refined Industry Co. Ltd since April 2011. He obtained his higher diploma in mechanical engineering from Hong Kong Polytechnic, currently known as Hong Kong Polytechnic University, in 1983. He joined Wong's group of companies in 1983 and served in different positions including mechanical engineer, assistant engineering manager, mechanical engineering manager and project manager from 1983 to 1993 and was responsible for products and parts mechanical designs, plastics and metal toolings fabrication, secondary process development such as electroless plating and paintings, worldwide customer communication and project co-ordinator. Wong's group of companies is listed on the Stock Exchange. In 1993, he was the engineering manager of Waysun Enterprise Co., Ltd. From 1994 to 2001, he joined The Refined Industry Co., Ltd. as a project engineering manager and head of engineering department to monitor designs and engineering activities. From January 2002 to February 2011, he worked as General Manager for Ameroll Metal Products Co. Ltd and was responsible for overseeing all functional departments and coordinating the strategic planning functions of the Company.

Mr. Chua Hoon Chong (蔡奮冲), aged 55, was appointed as an independent non-executive Director on 27 April 2011. Mr. Chua has over 30 years of experience in the mechanical engineering industry. Mr. Chua was a mechanical engineer in the research and development department of Thomson Consumer Electronics Asia Pte Ltd. from 1980 to 1991. In 1992, Mr. Chua joined Emerson Network Power (Hong Kong) Limited (a subsidiary of Emerson Electric Co, a New York Stock Exchange listed company) as a principal mechanical engineer in the high power product design team, and was a mechanical engineering manager in the technical core engineering group when he left Emerson Network Power in January 2009. Mr. Chua is a specialist in designing printed circuit board, cabling and plastic box.

Interest and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the date of listing of the Company's shares on GEM of the Stock Exchange on 18 May 2011, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO) once the Shares are listed, or which will be required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which, once the Shares are listed, will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors are as follows:

(i) Interest in Shares

Name of Director	Capacity/Nature of Interest	Long/ Short position	Number of Shares held	Approximate percentage of shareholding in the Company
Mr. Yeung Tin Hung	Settlor of a discretionary trust (note)	Long position	385,000,000	70%
Mr. Yeung Shing Wai	Beneficiary of a trust (note)	Long position	385,000,000	70%

(ii) Interest in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of securities held	Approximate percentage of shareholding
Mr. Yeung Tin Hung	Race Champion Holdings Limited	Settlor of a discretionary trust (note)	2 shares	100%
Mr. Yeung Shing Wai	Race Champion Holdings Limited	Beneficiary of a trust (note)	2 shares	100%

Note: Fairson Holdings (BVI) Limited is a holding company interested in 70% of the issued share capital of the Company and is deemed to be an associated corporation pursuant to the SFO. The entire issued share capital of Fairson Holdings (BVI) Limited is wholly-owned by Race Champion Holdings Limited, which is in turn wholly owned by Equity Trust (Singapore) Ltd., the trustee of The Race Champion Trust. The Race Champion Trust is a discretionary trust set up by Mr. Yeung Tin Hung as settlor and Equity Trust (Singapore) Ltd. as trustee on 28 April 2011. Mr. Yeung Shing Wai is the beneficiary of The Race Champion Trust. Mr. Yeung Tin Hung as settlor of The Race Champion Trust and Mr. Yeung Shing Wai, as beneficiary of The Race Champion Trust, are taken to be interested in the 385,000,000 shares held by Fairson Holdings (BVI) Limited pursuant to Part XV of the SFO.

Report of the Directors

Interests in the Company

So far as the Directors are aware, as at the date of listing of the Company's shares on GEM of the Stock Exchange on 18 May 2011, the following persons (not being a Director or chief executive of the Company) are expected to have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Long/Short position	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of shareholding
Race Champion Holdings Limited	Long position	Interest in a controlled corporation	385,000,000	70%
Fairson Holdings (BVI) Limited	Long position	Registered owner	385,000,000	70%
Equity Trust	Long position	Trustee	385,000,000	70%

Note: These shares will be registered in the name of and beneficially owned by Fairson Holdings (BVI) Limited. The entire issued share capital of Fairson Holdings (BVI) Limited is wholly-owned by Race Champion Holdings Limited, which is in turn wholly owned by Equity Trust (Singapore) Ltd., the trustee of The Race Champion Trust. The Race Champion Trust is a discretionary trust set up by Mr. Yeung Tin Hung as settlor and Equity Trust (Singapore) Ltd. as trustee on 28 April 2011. Mr. Yeung Shing Wai is the beneficiary of The Race Champion Trust. Mr. Yeung Tin Hung as settlor of The Race Champion Trust and Mr. Yeung Shing Wai, as beneficiary of The Race Champion Trust, are taken to be interested in the 385,000,000 Shares held by Fairson Holdings (BVI) Limited pursuant to Part XV of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	33.1%
– five largest suppliers in aggregate	70.2%
Sales	
– the largest customer	30.8%
– five largest customers in aggregate	77.7%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

CONNECTED TRANSACTIONS

A summary of the related parties transactions entered into by the Group during the year ended 31 March 2011 is contained in Note 30 to the combined financial statements. No transactions entered during the year fall under the definition of connected transactions under the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at the date of this report.

COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 March 2011 and up to and including the date of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 31 to the combined financial statements.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Yeung Tin Hung
Chairman
Hong Kong, 24 June 2011

Corporate Governance Report

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 March 2011. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Code on Corporate Governance Practices in Appendix 15 to the GEM Listing Rules (the "CG Code").

Throughout the period from the date of listing of the Company's shares on the GEM of The Stock Exchange on 18 May 2011 (the "Listing Date") to the date of this annual report, the Company had complied with the code provisions in the CG Code with the exception of the code provision A.2.1. Details of such deviation will be explained below.

BOARD OF DIRECTORS

The Company is governed by the Board, which is responsible for overseeing the overall strategy and development of the Company, as well as monitoring the internal control policies and evaluating the financial performance of the Group. The Board sets the overall strategies and directions for the Group with a view to developing its business and enhancing the shareholders value.

The Board currently comprises four executive Directors, one non-executive Director and three independent non-executive Directors. During the year ended 31 March 2011, the Board held three meetings.

Individual attendance of each Board member at Board meetings held during the year ended 31 March 2011 is as follows:

Name	**Attended/eligible to attended**
Executive Directors	
Mr. Yeung Tin Hung (Chairman)	3/3
Mr. Yeung Shing Wai	2/2
Mr. Zhou Yu Hui	2/2
Mr. Chen Tian Gang	2/2
Non-Executive Director	
Mr. Wong Chi Yung*	0/0
Independent Non-Executive Directors	
Mr. Li Hin Lung#	0/0
Mr. Chua Hoon Chong#	0/0
Mr. Chan Kai Wo#	0/0

* Note: Mr. Wong Chi Yung was appointed as the Non-Executive Director on 3 June 2011.

Note: Both independent non-executive Directors were appointed on 27 April 2011.

In compliance with Rules 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed sufficient number of independent non-executive Directors (the "INED") with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors and non-executive Director, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards and that appropriate systems are in place to protect the interests of the Company and its shareholders. The Board has received an annual confirmation of independence from each of the INEDs and believes that their independence is in compliance the GEM Listing Rules as at the date of this annual report.

The term of appointment of each non-executive Director is for a period of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

The biographical details of the Directors are set out in the section "Biographical Details of Directors" in this annual report. Their relationships are as follows: Mr. Yeung Shing Wai is the son of Mr. Yeung Tin Hung; Mr. Chen Tian Gang is the nephew of Mr. Yeung Tin Hung; and Mr. Zhou Yu Hui is the brother-in-law of Mr. Chen Tian Gang.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A.2.1 stipulates that the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separate and should not be performed by the same individual. Mr. Yeung Tin Hung was the Chairman and the CEO during the year under review, responsible for the management of the Board and the operation of the Group. The Board considered that Mr. Yeung Tin Hung has thorough understanding and expertise regarding the business operations of the Group and thus enabling him to make appropriate decisions on a timely manner which are in the interests of the shareholders of the Company as a whole. Considering the present size of the Company and the scope of business of the Group, there is no imminent need to separate the roles of the Chairman and the CEO. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the Chairman and the CEO is necessary.

NON-EXECUTIVE DIRECTOR

Mr. Wong Chi Yung was appointed as the non-executive Director of the Company on 3 June 2011 for a term of three years.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standards of Dealings"). The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Required Standards of Dealings throughout the period from the Listing Date to the date of this annual report.

COMMITTEES

As part of the corporate governance practices, the Board has established the remuneration committee, nomination committee and audit committee. The composition of all the committees is set out below. The terms of reference of all committees are established in accordance with the principles set out in the CG Code.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 27 April 2011 with written terms of reference. The remuneration committee comprises one executive Director namely Mr. Yeung Tin Hung (the chairman of the remuneration committee) and two INEDs namely Mr. Li Hin Lung and Mr. Chua Hoon Chong.

The primary duties of the remuneration committee are formulating remuneration policies, determining the specific remuneration packages of executive Directors and senior management and making recommendations to the Board on the remuneration of non-executive Directors.

The remuneration committee was established on 27 April 2011, it did not hold any meeting during the year ended 31 March 2011.

NOMINATION COMMITTEE

The Company established a nomination committee on 27 April 2011 with written terms of reference. The nomination committee comprises one executive Director namely Mr. Yeung Tin Hung (the chairman of the nomination committee) and two INEDs namely Mr. Li Hin Lung and Mr. Chua Hoon Chong.

The primary duties of the nomination committee are reviewing the structure, size and composition of the Board, formulating relevant procedures for nomination of directors, identifying qualified individuals to become members of the Board and making recommendation to the Board on the appointment or re-appointment of Directors.

The nomination committee was established on 27 April 2011, it did not hold any meeting during the year ended 31 March 2011.

AUDIT COMMITTEE

The Company established an audit committee on 27 April 2011 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The audit committee comprises three INEDs, namely, Mr. Li Hin Lung (the chairman of the audit committee), Mr. Chua Hoon Chong and Mr. Chan Kai Wo.

The results of the Company for the year ended 31 March 2011 have been reviewed by the audit committee members who have provided advice and comments thereon.

The primary duties of the audit committee are to supervise the internal control policies, the financial reporting systems and procedures of the Company, to review the financial statements and reports of the Group, and to review the terms of engagement and scope of audit work of the external auditors.

The audit committee was established on 27 April 2011, it did not hold any meeting during the year ended 31 March 2011.

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the accounts of the Company. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company’s ability to continue as a going concern.

EXTERNAL AUDITORS AND THEIR REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the combined financial statements for the year ended 31 March 2011 is set out in the section "Independent Auditor's Report" of this annual report.

During the year, remuneration paid and payable to the external auditors of the Group are approximately HKD0.7 million for audit services and approximately HKD3.9 million for non-audit services, respectively.

INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective internal control system in order to safeguard the interests of the shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The audit committee reviewed the overall effectiveness of the internal control system and reported its findings and made recommendations to the Board. The Directors have conducted a review of the effectiveness of the Group's internal control system for the year ended 31 March 2011. The Board will continue to assess the effectiveness of internal controls by considering reviews performed by the audit committee and executive management.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.sunfairw.com.hk) has provided an effective communication platform to the public and the shareholders.

Independent Auditor's Report on the Combined Financial Statements

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF FAIRSON HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

We have audited the combined financial statements of Fairson Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 23 to 80, which comprise the combined statement of financial position as at 31 March 2011, and the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE COMBINED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of combined financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these combined financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of combined financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the combined financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2011

Combined Statement of Comprehensive Income

	Note	Year ended 31 March 2011 HKD	2010 HKD
Revenue	5	**160,212,607**	160,012,275
Cost of sales	7	**(126,299,803)**	(124,416,854)
Gross profit		**33,912,804**	35,595,421
Other gains-net	6	**5,795,739**	15,961,174
Selling expenses	7	**(5,190,804)**	(4,034,201)
Administrative expenses	7	**(12,772,645)**	(18,253,005)
Operating profit		**21,745,094**	29,269,389
Finance income	9	**43,260**	4,183
Finance costs	9	**(805,922)**	(743,590)
Share of profit of a jointly controlled entity	16	**46,494**	–
Profit before income tax		**21,028,926**	28,529,982
Income tax expense	10	**(3,006,186)**	(4,519,799)
Profit and total comprehensive income for the year		**18,022,740**	24,010,183
Earnings per share	13	**N/A**	N/A
Dividend	12	**10,000,000**	–

The notes on pages 28 to 80 form an integral part of these combined financial statements.

Combined Statement of Financial Position

	Note(s)	As at 31 March 2011 HKD	2010 HKD
ASSETS			
Non-current assets			
Property, plant and equipment	14	**16,708,778**	14,342,565
Goodwill	15	**11,041,467**	–
Interest in a jointly controlled entity	16	**–**	1,189,273
Other non-current asset		**–**	450,000
		27,750,245	15,981,838
Current assets			
Inventories	17	**17,662,321**	13,223,768
Trade and other receivables	18	**42,411,351**	44,278,428
Amount due from a related company	30	**7,128**	7,128
Amounts due from directors	30	**242,900**	210,880
Loan to a jointly controlled entity	16 & 30	**–**	2,000,000
Financial assets at fair value through profit or loss	19	**1,016,838**	959,755
Pledged deposits	20	**2,523,824**	2,513,635
Cash and cash equivalents	20	**6,507,341**	12,116,666
		70,371,703	75,310,260
Total assets		**98,121,948**	91,292,098
EQUITY			
Capital and reserves attributable to the equity holder of the Company			
Issued equity	21	**3,000,000**	3,000,000
Reserves	22	**39,497,396**	31,474,656
Total equity		**42,497,396**	34,474,656

Combined Statement of Financial Position

	Note(s)	As at 31 March 2011 HKD	2010 HKD
LIABILITIES			
Non-current liabilities			
Borrowings	24	**145,031**	–
Deferred income tax liabilities	25	**873,585**	849,714
		1,018,616	849,714
Current liabilities			
Trade and other payables	23	**33,538,396**	26,145,149
Income tax payable		**5,907,802**	3,965,917
Amount due to a director	30	**–**	537,961
Borrowings	24	**15,159,738**	25,318,701
		54,605,936	55,967,728
Total liabilities		**55,624,552**	56,817,442
Total equity and liabilities		**98,121,948**	91,292,098
Net current assets		**15,765,767**	19,342,532
Total assets less current liabilities		**43,516,012**	35,324,370

Approved by the Board of Directors on 24 June 2011

Yeung Tin Hung	**Yeung Shing Wai**
Director	*Director*

The notes on pages 28 to 80 form an integral part of these combined financial statements.

Combined Statement of Changes in Equity

	Issued equity HKD	Statutory reserve HKD	Retained earnings HKD	Total HKD
Balance at 1 April 2009	3,000,000	500,000	6,964,473	10,464,473
Profit and total comprehensive income for the year	–	–	24,010,183	24,010,183
Transfer to statutory reserve (note 22)	–	851,983	(851,983)	–
Balance at 31 March 2010	3,000,000	1,351,983	30,122,673	34,474,656
Balance at 1 April 2010	**3,000,000**	**1,351,983**	**30,122,673**	**34,474,656**
Profit and total comprehensive income for the year	**–**	**–**	**18,022,740**	**18,022,740**
Dividend (note 12)	**–**	**–**	**(10,000,000)**	**(10,000,000)**
Transfer to statutory reserve (note 22)	**–**	**829,576**	**(829,576)**	**–**
Balance at 31 March 2011	**3,000,000**	**2,181,559**	**37,315,837**	**42,497,396**

The notes on pages 28 to 80 form an integral part of these combined financial statements.

Combined Statement of Cash Flows

	Note	Year ended 31 March 2011 HKD	2010 HKD
Cash flows from operating activities			
Cash generated from operations	26	**24,547,962**	27,623,186
Income tax paid		**(1,556,723)**	–
Net cash generated from operating activities		**22,991,239**	27,623,186
Cash flows from investing activities			
Purchase of property, plant and equipment		**(3,993,475)**	(2,788,278)
Purchase of leasehold land and land use rights		**–**	(3,660,000)
Proceeds from disposal of property, plant and equipment	26	**110,000**	–
(Increase)/decrease in pledged deposits		**(10,189)**	20,247
Acquisition of a subsidiary	27	**(4,931,306)**	–
Interest received		**43,260**	4,183
Net cash used in investing activities		**(8,781,710)**	(6,423,848)
Cash flows from financing activities			
Proceeds from borrowings		**30,765,435**	33,880,365
Repayments of borrowings		**(41,778,367)**	(22,754,966)
Repayment of loan by a jointly controlled entity		**2,000,000**	–
Decrease in amount due to a director		**–**	(21,162,478)
Interest paid		**(805,922)**	(743,590)
Dividend paid	12	**(10,000,000)**	–
Net cash used in financing activities		**(19,818,854)**	(10,780,669)
Net (decrease)/increase in cash and cash equivalents		**(5,609,325)**	10,418,669
Cash and cash equivalents at the beginning of year	20	**12,116,666**	1,697,997
Cash and cash equivalents at the end of year	20	**6,507,341**	12,116,666

The notes on pages 28 to 80 form an integral part of these combined financial statements.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

1 GENERAL INFORMATION AND REORGANISATION

1.1 General information

Fairson Holdings Limited (the "Company") is an investment holding company and its subsidiaries (together, the "Group") are principally engaged in manufacture and sales of power and data cords in Hong Kong and the People's Republic of China (the "PRC") (the "Power Cable and Electric Cord Business").

The Company was incorporated in the Cayman Islands on 25 June 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands in preparation for a listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Listing"). The Company's shares were subsequently listed on GEM of The Stock Exchange of Hong Kong Limited on 18 May 2011. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is located in Flat A-C, 9th Floor, Yue Cheung Centre, 1-3 Wong Chuk Yeung Street, Fotan, Shatin, New Territories, Hong Kong.

The combined financial statements are presented as the completion of the Reorganisation (as defined below) was subsequent to year end on 27 April 2011. These combined financial statements are presented in Hong Kong dollars ("HKD"), unless otherwise stated. These combined financial statements have been approved for issue by the Board of Directors on 24 June 2011.

1.2 Reorganisation

Before completion of the Reorganisation (as defined below), the Power Cable and Electric Cord Business was carried out by Sun Fair Electric Wire & Cable (HK) Company Limited ("SunFair HK"), and its subsidiaries, namely Sun Fair Electric Wire & Cable (Shenzhen) Company Limited ("SunFair SZ") and Logic Dynamic Limited ("Logic Dynamic") during the year ended 31 March 2011. In preparation for the Listing, the Reorganisation was carried out to transfer the Power Cable and Electric Cord Business and its related assets to the Company by way of the following:

(i) Able One Investments Limited ("Able One") was incorporated in the British Virgin Islands on 9 March 2010 by Mr. Yeung Tin Hung, the ultimate shareholder of the Company who held 33.33% equity interest in SunFair HK prior to 23 March 2009 and then acquired the remaining 66.67% equity interest in SunFair HK on 23 March 2009 (the "Ultimate Shareholder"). On 30 March 2010, Able One acquired the entire issued share capital of SunFair HK from the Ultimate Shareholder which was satisfied by the issuance of two shares by Able One to the Ultimate Shareholder.

(ii) Joint Market Limited ("Joint Market") was incorporated in the British Virgin Islands on 16 March 2010 by SunFair HK. On 31 March 2010, Joint Market acquired the entire issued share capital of Logic Dynamic from Mr. Yeung Shing Wai, the son of the Ultimate Shareholder, at a consideration of HKD10,000 which was satisfied by cash. Mr. Yeung Shing Wai held the entire issued share capital in Logic Dynamic since its incorporation. Logic Dynamic operates under a statute declared by the Ultimate Shareholder and Mr. Yeung Shing Wai whereas SunFair HK has the controlling power over Logic Dynamic and is able to obtain the economic benefits of Logic Dynamic, and the residual and ownership risks of Logic Dynamic have been passed.

1 GENERAL INFORMATION AND REORGANIZATION (CONTINUED)

1.2 Reorganisation (Continued)

(iii) Capital Convoy Limited ("Capital Convoy") was incorporated in the British Virgin Islands on 10 March 2010 by SunFair HK. On 31 March 2010, Capital Convoy acquired the issued share capital representing 50% equity interests in Sun Fair Electric Wire & Cable Industrial Co., Limited ("SunFair Industrial"), which is engaged in manufacturing and trading of raw cables in the PRC, from the Ultimate Shareholder at a consideration of HKD1,189,273 which was satisfied by cash (note 27).

(iv) On 25 June 2010, the Company was incorporated. On 27 April 2011, the Company acquired the entire issued share capital of Able One which was satisfied by the issuance of 34,999,999 shares by the Company to Fairson Holdings (BVI) Limited, a company owned by the Ultimate Shareholder, and the Company became the holding company of the companies now comprising the Group.

As at the date of this report, the Company has direct and indirect interest in the following subsidiaries:

Name	Country/ place of incorporation/ establishment and operation	Date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in capital	Attributable equity interest		Principal activities
					Directly held	Indirectly held	
Able One	The BVI	9 March 2010	Limited company	3 ordinary shares of USD1 each	100%	–	Investment holding
Capital Convoy	The BVI	10 March 2010	Limited company	1 ordinary share of USD1 each	–	100%	Investment holding
Joint Market	The BVI	16 March 2010	Limited company	1 ordinary share of USD1 each	–	100%	Investment holding
SunFair HK	Hong Kong	7 August 2007	Limited company	3,000,000 ordinary shares of HKD1 each	–	100%	Trading of power and data cords
SunFair SZ	The PRC	19 December 2005	Limited company	HKD10,000,000	–	100%	Manufacturing of power and data cords
Logic Dynamic	Hong Kong	25 June 2009	Limited company	10,000 ordinary shares of HKD1 each	–	100%	Trading of power and data cords for medical control devices
SunFair Industrial	Hong Kong	29 May 2009	Limited company	10,000 ordinary shares of HKD1 each	–	100% (note 16(a))	Manufacturing and trading of raw cables in the PRC

Notes to the Combined Financial Statements

For the year ended 31 March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the combined financial statements of the Group are set out below.

2.1 Basis of preparation

For the purposes of these combined financial statements, the combined statement of financial position, combined statement of comprehensive income, combined statement of cash flows and combined statement of changes in equity of the Group for the year ended 31 March 2011 have been prepared using the existing book values of the income, expenses, assets and liabilities of SunFair HK and its subsidiaries (the "SunFair Group"), a group of entities within a legal structure during the year ended 31 March 2011 and will become subsidiaries of the Company upon completion of the Reorganisation, which operate the Power Cable and Electric Cord Business throughout the year ended 31 March 2011. The combined financial statements of SunFair Group is prepared in accordance with the accounting policies as set out in Note 2.2 below.

The Reorganisation, which has not resulted in any changes in the substance of the Power Cable and Electric Cord Business, management or controlling shareholder before and after the Reorganisation, is accounted for using the accounting principle which is similar to that of a reverse acquisition and the principles of the Auditing Guideline 3.340 "Prospectus and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The combined financial statements have been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the financial assets at fair value through profit or loss.

The preparation of the combined financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements, are disclosed in Note 4 below.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The following new or revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the year ended 31 March 2011 and which the Group has not early adopted:

Effective for accounting periods beginning on or after

HKAS 24 (Revised)	Related Party Disclosures	1 April 2011
HKAS 32 (Amendment)	Classification of right issues	1 April 2011
HKFRS 9	Financial Instruments	1 April 2013
HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement	1 April 2011
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 April 2011
HKAS 12	Income Taxes (Amendments made by Deferred Tax: Recovery of Underlying Assets)	1 April 2012
HK(SIC)-Int 21	Income Taxes-Recovery of Revalued Non-Depreciable Assets	Withdrawn on 1 April 2012

Improvements to HKFRS-Amendments to:

HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards	1 April 2011
HKFRS 7	Financial Instruments: Disclosures	1 April 2011
HKAS 1	Presentation of Financial Statements	1 April 2011
HKAS 34	Interim Financial Reporting	1 April 2011
HK(IFRIC)-Int 13	Customer Loyalty Programmes	1 April 2011

The Group will apply these new standards and new interpretations in the period of initial application. It is not expected to have a significant impact on the Group's results of operations and its financial position.

2.2 Consolidation

The combined financial statements include the financial statements of the Company and all its subsidiaries made up to the respective year end date. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

The acquisition method of accounting is used to account for business combination by the Group. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity instruments issued. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. When a business combination achieved in stages, the acquirer should remeasure its previously held interest in the acquiree at its fair value at the date of whom control is obtained, recognising the fair value changes in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit and loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the combined financial statements to ensure consistency with the policies adopted by the Group.

2.3 Jointly controlled entity

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

Investment in a jointly controlled entity is accounted for in the combined financial statements under the equity method and are initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the jointly controlled entity's net assets. The Group's investment in a jointly controlled entity includes goodwill identified on acquisition. The combined statement of comprehensive income includes the Group's share of post-acquisition, post-tax results of the jointly controlled entity for the year ended 31 March 2010 and 2011.

When the Group's share of losses exceeds its interest in the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity. For this purpose, the Group's interest in the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net interest in the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's executive directors that makes strategic decisions.

2.5 Foreign currency transaction

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The combined financial statements is presented in HK dollars (HKD), which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents, trade and other receivables and trade and other payables are presented in the combined statement of comprehensive income within 'Other (losses)/gains-net'.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined. Translation differences arising on translation of non-monetary assets and liabilities, such as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss in the combined statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

Property, plant and equipment are stated in the combined statement of financial position at cost less accumulated depreciation and impairment losses (see note 2.8). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognised as a separate item of property, plant and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance and overhaul costs, are recognised in the combined statement of comprehensive income as an expense in the period in which they are incurred.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal within 'administrative expenses' in the combined statement of comprehensive income.

Depreciation on property, plant and equipment is calculated to write off the cost of items of property, plant and equipment using the straight line method to their residual values over their estimated useful lives as follows:

Leasehold land	Shorter of the unexpired term of land lease and 40 years
Buildings	Shorter of the unexpired term of land lease and 40 years
Moulding and equipment	5 years
Motor vehicles	4 years
Furniture and office equipment	4 years
Leasehold improvements	Shorter of 4 years and the term of lease

Leasehold land classified as finance lease is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the land interest. Depreciation commences from the land interest becomes available for its intended use, and is calculated using straight-line method to allocate the cost over the remaining lease terms of 30 to 40 years.

The property, plant and equipment's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The property, plant and equipment's carrying amount is written down immediately to its recoverable amount if the property, plant and equipment's carrying amount is greater than its estimated recoverable amount (see note 2.8).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Goodwill

Goodwill is the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible asset'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

2.8 Impairment of investments in subsidiaries, jointly controlled entity and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in the jointly controlled entity is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the jointly controlled entity in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the combined financial statements of the investee's net assets including goodwill.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(a) Classification (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'amounts due from director', 'loan to a jointly controlled entity', 'pledged deposits' and 'cash and cash equivalents' in the combined statement of financial position (see notes 2.12 and 2.13).

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date-the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the combined statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the combined statement of comprehensive income within 'Other (losses)gains-net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the combined statement of comprehensive income as part of 'administrative expenses' when the Group's right to receive payments is established.

2.10 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets carried at amortised cost (Continued)

The criteria that the Group uses to determine that there is an objective evidence of an impairment loss include:

– significant financial difficulty of the issuer or obligor;
– a breach of contract, such as a default or delinquency in interest or principal payments;
– the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
– it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
– the disappearance of an active market for that financial asset because of financial difficulties; or
– observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within 'Borrowings' in current liabilities on the statement of financial position.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the income tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and a jointly controlled entity operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the year end dates and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on interests in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits

(a) Pension obligation

Hong Kong

The Group operates a defined contribution plan, the mandatory provident fund scheme ("MPF") in Hong Kong, the assets of which are generally held in separate trustee-administered funds.

The Group's contributions to the defined contribution plan are charged to profit or loss in the year incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid.

The PRC

Pursuant to the relevant local regulations in the PRC, the PRC subsidiary of the Company participates in government retirement benefit schemes and is required to contribute to the scheme to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated based on certain percentages of the applicable payroll costs or fixed sums for each employee with reference to a salary scale, as stipulated under the requirements in the PRC. The Group has no further obligation beyond the required contributions. The contributions under the schemes are expensed in the combined statement of comprehensive income as incurred.

(b) Bonus plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Other employee benefits

Salaries, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. The amount recognised as a liability and an expense should be measured at the cost of providing the benefits.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of goods

Sale of goods is recognised when products have been delivered to the Group's customer. Delivery does not occur until the products have been transported to the specified location, the risks of obsolescence and loss have been transferred to the customer, regardless of whether the customer has accepted the products in accordance with the sales invoice, the acceptance provisions have lapsed, or the Group has an objective evidence that all criteria for acceptance have been satisfied.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the combined financial statements in the period in which the dividend is approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to reduce certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the functional currency of the Company and its subsidiaries.

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group enters into foreign exchange forward contracts with external financial institutions to mitigate such foreign exchange risks. The Group also mitigates this risk by maintaining Hong Kong dollar, United States dollar and Renminbi bank accounts to pay for the transactions denominated in these currencies.

As at 31 March 2011, if Hong Kong dollar had weakened/strengthened by 3.5% against Renminbi, with all other variables held constant, the Group's profit after tax for the year would have been decreased/increased by approximately HKD143,000 (2010: HKD223,000), mainly as a result of foreign exchange losses/gains on translation of Renminbi denominated monetary assets and liabilities.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Other than bank deposits with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group has not hedged its cash flow interest rate risks. The interest rate and terms of repayments of borrowings are disclosed in Note 24.

As at 31 March 2011, if the interest rate on all borrowings had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax for the year would have been decreased/increased by approximately HKD31,000 (2010: HKD211,000), mainly as a result of higher/lower interest expense on borrowings with floating interest rates.

(iii) Price risk

The Group is exposed to equity securities price risk because of the investments held by the Group and classified on the combined statement of financial position as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, investment decisions are made in accordance with the limits set by the Group.

(b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, trade and other receivables, amounts due from directors and a related company, loan to a jointly controlled entity, investments and cash transactions entered into for risk management purposes. Management has policies in place and exposures to these credit risks are monitored on an ongoing basis.

Trade receivables have a normal credit period ranging up to 90 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. The Group maintains a well-defined credit policy and individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors who have overdue payable are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 18.

Amounts due from directors and a related company and other receivables are continuously monitored by assessing the credit quality of the counterparties, taking into account its financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at 31 March 2011, the amounts due from directors and a related company, loan to a jointly controlled entity and other receivables are fully performing.

Investments and cash transactions are executed with financial institutions or investment counterparties with sound credit ratings and the Group does not expect any significant counterparty risk.

As at 31 March 2011, the Group had a concentration of credit risk as the top 5 customers accounted for 83% (2010: 74%) of the Group's total year end trade receivables balance. However, the Group does not believe that the credit risk in relation to these customers is significant because they have no history of default in recent years.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the combined statement of financial positions.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet their liquidity requirements in the short and longer term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the year end dates during the year ended 31 March 2011 of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the year end date and the earliest date the Group can be required to pay):

	Within 1 year or on demand	**More than 1 year but within 2 years**	**Total**
	HKD	HKD	HKD
At 31 March 2011			
Trade and other payables	**33,538,396**	**–**	**33,538,396**
Borrowings	**15,475,652**	**148,048**	**15,623,700**
Total	**49,014,048**	**148,048**	**49,162,096**
At 31 March 2010			
Trade and other payables	26,145,149	–	26,145,149
Amount due to a director	537,961	–	537,961
Borrowings	25,913,385	–	25,913,385
Total	52,596,495	–	52,596,495

Notes to the Combined Financial Statements

For the year ended 31 March 2011

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 31 March 2011, the banks have unconditional right to demand repayment of the bank borrowings. However, management does not expect the banks to exercise their unconditional rights to demand repayment of the bank borrowings immediately since the Group has complied with all the conditions, undertakings and bank covenants of the banking facilities. Based on the expected repayment dates with reference to the schedule of repayments set out in the term loan agreements, the Group has summarised the expected maturities at the year ended during the year ended 31 March 2011 of the financial liabilities, which are based on undiscounted cash flows as follows:

	Within 1 year or on demand	**More than 1 year but within 2 years**	**More than 2 years but within 5 years**	**More than 5 years**	**Total**
	HKD	HKD	HKD	HKD	HKD
At 31 March 2011					
Trade and other payables	**33,538,396**	**–**	**–**	**–**	**33,538,396**
Borrowings	**9,374,085**	**2,614,957**	**2,743,101**	**1,288,519**	**16,020,662**
Total	**42,912,481**	**2,614,957**	**2,743,101**	**1,288,519**	**49,559,058**
At 31 March 2010					
Trade and other payables	26,145,149	–	–	–	26,145,149
Amount due to a director	537,961	–	–	–	537,961
Borrowings	15,990,676	3,953,873	4,867,585	1,645,273	26,457,407
Total	42,673,786	3,953,873	4,867,585	1,645,273	53,140,517

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operation and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the combined statement of financial position) less cash and cash equivalents. Total capital is calculated as 'Equity' as shown in the combined statement of financial position plus net debt.

The Group's strategy, which was unchanged during the year ended 31 March 2011, was to lower the gearing ratio to an acceptable level of less than 30%. The gearing ratios during the year ended 31 March 2011 were as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Total borrowings (note 24)	**15,304,769**	25,318,701
Less: Cash and cash equivalents (note 20)	**(6,507,341)**	(12,116,666)
Net debt	**8,797,428**	13,202,035
Total equity	**42,497,396**	34,474,656
Total capital	**51,294,824**	47,676,691
Gearing ratio	**17.2%**	27.7%

Notes to the Combined Financial Statements

For the year ended 31 March 2011

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2011.

The financial instruments measured at fair value are disclosed by the following measurement hierarchy:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market, which primarily represented the investment funds, is determined by using valuation techniques based on unobservable market data; the quotation from a bank. The fair value measurement for such investment funds are included in level 3.

The following table presents the changes in level 3 instruments for the year ended 31 March 2011:

	Investment funds at fair value through profit or loss HKD
At 31 March 2009	1,658,976
Disposals	(775,780)
Gains recognised in combined statements of comprehensive income	76,559
At 31 March 2010	959,755
Gains recognised in combined statements of comprehensive income	57,083
At 31 March 2011	1,016,838

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful lives of property, plant and equipment

The Group has significant investments in property, plant and equipment. The Group is required to estimate the useful lives of property, plant and equipment in order to ascertain the amount of depreciation charges for each reporting period.

Useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

(b) Impairment of property, plant and equipment

Impairment of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on fair value less costs to sell calculations or market valuations. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of the operations.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies, using their judgment, inventories that are slow moving or obsolete, and considering their physical conditions, age, market conditions and market price for similar items.

(d) Impairment of receivables

Management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at each statement of financial positions date.

Significant judgment is exercised on the assessment of the collectability of trade receivables from each customer. In making the judgment, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(e) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. For the purposes of impairment reviews, the recoverable amount of goodwill is determined based on value-in-use calculations. The value-in-use calculations primarily use cash flow projections based on one to four-year financial budgets approved by management and estimated terminal value at the end of the one to four-year period. There are a number of assumptions and estimates involved in the preparation of cash flow projections for the period covered by the approved budgets. Key assumptions include the growth rates and selection of discount rates to reflect the risks involved. Management prepares the financial budgets reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions could affect these cash flow projections and therefore the results of the impairment reviews.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(f) Income tax

The Group is subject to current income tax in various jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provision in the period in which such determination is made.

In response to the recent change in the PRC transfer pricing requirement, the Group has conducted a transfer pricing study and made transfer pricing adjustments to re-allocate the profit of the Group attributable to the Hong Kong subsidiaries and SunFair SZ respectively in accordance with a transfer pricing benchmarking study with reference to Guo Shui Fa 2009 No. 2. Accordingly, current income tax provision has been made based on each of the subsidiaries' profit before tax after such transfer pricing adjustments. The director considers that sufficient tax provision has been made during the year ended 31 March 2010 and 2011.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 SEGMENT INFORMATION

The CODM has been identified collectively as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Management regularly reviews the operating results from a product category perspective. The reportable operating segments derive their revenue primarily from the manufacture and sales of power and data cords. Management assesses the performance of the following segments:

- Power cords and inlet sockets for household electric appliances
- Power and data cords for mobile handset and medical control devices
- Raw cables

Management assesses the performance of the operating segments based on the measure of gross profits.

The sales from trading of plant and equipment and other cables are not included in the reportable operating segments as the information is not reviewed by the CODM. The turnover and results of these operations are included in the 'all other segments' column.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2010 and 2011 is as follows:

	Power cords and inlet sockets for household electric appliances HKD	Power and data cords for mobile handsets and medical control devices HKD	Raw cables HKD	All other segments HKD	Total HKD
For the year ended 31 March 2011					
Segment revenue	**42,024,999**	**105,261,285**	**21,763,614**	**1,624,010**	**170,673,908**
Inter-segment revenue	**–**	**–**	**(10,461,301)**	**–**	**(10,461,301)**
Revenue (from external customers)	**42,024,999**	**105,261,285**	**11,302,313**	**1,624,010**	**160,212,607**
Segment results	**9,874,190**	**21,439,352**	**2,002,029**	**597,233**	**33,912,804**
For the year ended 31 March 2010					
Segment revenue	43,934,122	81,094,797	35,298,923	5,779,496	166,107,338
Inter-segment revenue	–	–	(6,095,063)	–	(6,095,063)
Revenue (from external customers)	43,934,122	81,094,797	29,203,860	5,779,496	160,012,275
Segment results	9,248,911	16,577,291	8,582,395	1,186,824	35,595,421

5 SEGMENT INFORMATION (CONTINUED)

Sales between segments are carried out in accordance with the terms mutually agreed between the respective parties. The revenue from external parties reported to the Group's senior management is measured in a manner consistent with that in the combined statement of comprehensive income.

A reconciliation of segment results to profit before income tax is provided as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Segment results	**33,912,804**	35,595,421
Other gains-net	**5,795,739**	15,961,174
Selling and administrative expenses	**(17,963,449)**	(22,287,206)
Operating profit	**21,745,094**	29,269,389
Finance costs-net	**(762,662)**	(739,407)
Share of profit of a jointly controlled entity	**46,494**	–
Profit before income tax	**21,028,926**	28,529,982

The total revenue from external customers in the PRC and Hong Kong is approximately HKD122,561,000 for the year ended 31 March 2011 (2010: HKD109,060,000). The total revenue from external customers in other countries is approximately HKD37,651,000 for the year ended 31 March 2011 (2010: HKD50,952,000).

The total non-current assets located in Hong Kong are approximately HKD7,426,000 as at 31 March 2011 (2010: HKD6,548,000). The total non-current assets located in other countries are approximately HKD20,324,000 as at 31 March 2011 (2010: HKD9,433,000).

Details of the customers accounting for 10% or more of total revenue are as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Customer A	**49,360,387**	22,679,101
Customer B	**22,162,480**	38,265,758
Customer C	**15,446,323**[1]	21,034,478
Customer D	**18,481,532**	17,525,032
Customer E	**19,015,880**	–[1]

[1] Sales to these customers did not exceed 10% of total revenue in the respective years. The amounts were shown for comparative purpose.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

5 SEGMENT INFORMATION (CONTINUED)

Breakdown of revenues from all activities is as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Sales of power cables, electric cords and raw cables		
– third parties	**156,405,175**	141,556,589
– a related party (note 30)	**2,183,422**	12,676,190
Others	**1,624,010**	5,779,496
	160,212,607	160,012,275

6 OTHER GAINS-NET

	Year ended 31 March	
	2011	2010
	HKD	HKD
Foreign exchange loss, net	**(637,264)**	(242,537)
Gain on settlement of foreign exchange forward contracts	**62,166**	78,992
Gain on disposal of financial assets at fair value through profit or loss	**–**	19,763
Fair value gain on previously held interest in a jointly controlled entity (note 27)	**5,520,734**	–
Fair value gain on financial assets at fair value through profit or loss	**57,083**	76,559
Gain on deemed disposal of business (note 8(a))	**–**	13,800,000
Management service fee income from a related party (note 30)	**612,462**	2,228,397
Sundry income	**180,558**	–
	5,795,739	15,961,174

7 EXPENSES BY NATURE

	Year ended 31 March	
	2011	2010
	HKD	HKD
Raw materials and consumables used	**94,986,706**	96,599,146
Changes in inventories of finished goods and work in progress	**(3,661,900)**	381,893
Subcontracting fee	**9,194,180**	4,901,469
Utilities	**3,381,368**	1,958,566
Operating lease payments in respect of factories	**1,819,047**	1,049,966
Sales commission	**3,818,377**	3,095,004
Licensing fee	**1,372,427**	891,569
Depreciation (note 14)	**4,143,554**	3,098,886
Provision for obsolescence of inventories (note 17)	**276,928**	335,367
Impairment of goodwill (note 15)	**3,243,500**	–
Employee benefit expense (note 8)	**22,845,602**	29,084,578
Auditors' remuneration	**700,000**	502,486
Loss on disposal of property, plant and equipment	**10,833**	–
Other expenses	**2,132,630**	4,805,130
Total cost of sales, selling and administrative expenses	**144,263,252**	146,704,060

8 EMPLOYEE BENEFIT EXPENSE-INCLUDING DIRECTORS' EMOLUMENTS

	Year ended 31 March	
	2011	2010
	HKD	HKD
Salaries, wages and allowances	**20,070,388**	13,640,283
Pension costs-defined contribution plans	**1,157,978**	595,624
Disposal of business to employees (note a)	**–**	13,800,000
Other benefits	**1,617,236**	1,048,671
	22,845,602	29,084,578

(a) During the year ended 31 March 2010, the Group has disposed of its raw cable business (the "Raw Cable Business") to SunFair Industrial, a company which is jointly owned by the Ultimate Shareholder and Mr. Li Shi Bin, who are also members of the Group's key management team, as employee benefits for compensating their contributions to the Group (note 11(a)). There is no consideration received by the Group for the disposal. The employee benefits of HKD13,800,000 represent the fair value of the Raw Cable Business as at 29 May 2009, the date the Raw Cable business was disposed of to SunFair Industrial.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

9 FINANCE INCOME AND COSTS

	Year ended 31 March	
	2011	2010
	HKD	HKD
Finance costs:		
– Bank borrowings repayable within five years (note a)	**(463,670)**	(344,926)
– Bank overdrafts	**–**	(58,272)
– Trust receipt bank loans and factoring loans	**(342,252)**	(340,392)
	(805,922)	(743,590)
Finance income:		
– Short-term bank deposits	**43,260**	4,183

note a: The interest-bearing bank borrowings repayable within five years, including portion of term loans due for repayment after five years which contain a repayment on demand clause and that is classified as a current liability.

10 INCOME TAX EXPENSE

	Year ended 31 March	
	2011	2010
	HKD	HKD
Current income tax		
– Hong Kong profits tax	**1,616,253**	1,981,511
– PRC corporate income tax	**1,366,062**	978,005
Deferred income tax (note 25)	**23,871**	1,560,283
	3,006,186	4,519,799

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for each of the year ended 31 March 2011 (2010: 16.5%).

SunFair SZ, a subsidiary operating in the PRC, was eligible to a 50% reduction in corporate income tax rate during the year ended 31 March 2010 and the nine months ended 31 December 2010. The PRC corporate income tax is provided at the rate of 11% and 12% for the year ended 31 March 2010 and the nine months ended 31 December 2010 respectively. The PRC tax benefit has been expired on 31 December 2010 and the PRC corporate income tax is provided at 24% since 1 January 2011.

10 INCOME TAX EXPENSE (CONTINUED)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies comprising the Group as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Profit before income tax	**21,028,926**	28,529,982
Tax calculated at domestic tax rates applicable to profits in the respective countries	**3,188,516**	4,109,364
Income not subject to tax	**(903,032)**	(3,330,431)
Expenses not deductible for tax purposes	**720,702**	3,363,228
Deferred tax on undistributed earnings	**–**	377,638
Income tax expense	**3,006,186**	4,519,799

The effective tax rate decreased during the year ended 31 March 2011 is primarily due to the fact that the fair value gain on previously held interest in a jointly controlled entity is not subject to tax.

11 DIRECTORS' AND SENIOR EXECUTIVE'S EMOLUMENTS

(a) Directors' and senior executive's emoluments

The emoluments of the directors and a senior executive for the year ended 31 March 2010 and 2011 are set out below:

	Fee HKD	Salaries, allowances and benefits in kind HKD	Bonuses HKD	Retirement benefit contributions HKD	Others HKD (note 8(a))	Total HKD
Year ended 31 March 2011						
Directors						
Yeung Tin Hung	–	1,300,000	–	12,000	–	1,312,000
Yeung Shing Wai	–	650,000	–	12,000	–	662,000
	–	1,950,000	–	24,000	–	1,974,000
Senior executive						
Li Shi Bin	–	45,454	–	459	–	45,913
	–	1,995,454	–	24,459	–	2,019,913

11 DIRECTORS' AND SENIOR EXECUTIVE'S EMOLUMENTS (CONTINUED)

(a) Directors' and senior executive's emoluments (Continued)

	Fee HKD	Salaries, allowances and benefits in kind HKD	Bonuses HKD	Retirement benefit contributions HKD	Others HKD (note 8(a))	Total HKD
Year ended 31 March 2010						
Directors						
Yeung Tin Hung	–	540,000	–	12,000	6,900,000	7,452,000
Yeung Shing Wai	–	100,000	–	1,000	–	101,000
	–	640,000	–	13,000	6,900,000	7,553,000
Senior executive						
Li Shi Bin	–	136,364	–	1,200	6,900,000	7,037,564
	–	776,364	–	14,200	13,800,000	14,590,564

During the year ended 31 March 2010 and 2011, no directors received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office, no directors waived or have agreed to waive any emoluments.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors for the year ended 31 March 2011 (2010: one). Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three individuals for the year ended 31 March 2011 (2010: four) are as follows:

	Year ended 31 March 2011 HKD	2010 HKD
Salaries, wages and allowances	**779,750**	792,727
Pension costs-defined contribution plans	**29,087**	35,402
Other benefits (note 8(a))	**–**	6,900,000
	808,837	7,728,129

11 DIRECTORS' AND SENIOR EXECUTIVE'S EMOLUMENTS (CONTINUED)

The emoluments fell within the following bands:

	Year ended 31 March	
	2011	2010
	HKD	HKD
HKD Nil to HKD1,000,000	**3**	3
Over HKD2,000,000	**–**	1
	3	4

12 DIVIDEND

During the year ended 31 March 2011, the Group's had distributed dividend to its shareholders as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Interim dividend declared and paid of HKD3.33 per ordinary share	**10,000,000**	–

The rate of dividend and the number of shares ranking for dividend is not presented as such information is not meaningful having regard to the purpose of this report.

13 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this combined financial statements, is not considered meaningful due to the Reorganisation and the presentation of the results for the years ended 31 March 2010 and 2011 on a combined basis as disclosed in Note 1.2.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land HKD	Buildings HKD	Leasehold improvements HKD	Moulding and equipment HKD	Motor vehicles HKD	Furniture and office equipment HKD	Total HKD
Year ended 31 March 2011							
Opening net book amount	4,498,543	2,049,945	445,922	5,808,180	887,493	652,482	14,342,565
Additions	–	–	407,772	2,599,604	1,532,761	902,338	5,442,475
Acquistion of a Subsidiary	–	–	–	1,119,153	–	68,972	1,188,125
Disposal	–	–	–	–	(120,833)	–	(120,833)
Depreciation charge (note 7)	(120,409)	(54,467)	(258,983)	(2,699,804)	(604,946)	(404,945)	(4,143,554)
Closing net book amount	4,378,134	1,995,478	594,711	6,827,133	1,694,475	1,218,847	16,708,778
At 31 March 2011							
Cost	4,540,000	2,080,200	1,300,244	14,023,612	3,366,157	2,263,585	27,573,798
Accumulated depreciation	(161,866)	(84,722)	(705,533)	(7,196,479)	(1,671,682)	(1,044,738)	(10,865,020)
Net book amount	4,378,134	1,995,478	594,711	6,827,133	1,694,475	1,218,847	16,708,778
Year ended 31 March 2010							
Opening net book amount	878,120	918,034	608,299	6,778,805	948,321	861,594	10,993,173
Additions	3,660,000	1,160,200	58,026	1,031,962	425,275	112,815	6,448,278
Depreciation charge (note 7)	(39,577)	(28,289)	(220,403)	(2,002,587)	(486,103)	(321,927)	(3,098,886)
Closing net book amount	4,498,543	2,049,945	445,922	5,808,180	887,493	652,482	14,342,565
At 31 March 2010							
Cost	4,540,000	2,080,200	892,472	10,304,855	2,033,396	1,292,275	21,143,198
Accumulated depreciation	(41,457)	(30,255)	(446,550)	(4,496,675)	(1,145,903)	(639,793)	(6,800,633)
Net book amount	4,498,543	2,049,945	445,922	5,808,180	887,493	652,482	14,342,565

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leasehold land and buildings with net book amount of HKD4,645,325 were pledged to a bank to secure general banking facilities granted to the Group as at 31 March 2011 (2010: HKD6,548,488).

Depreciation expense of the Group's property, plant and equipment has been charged to the combined statements of comprehensive income as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Cost of sales	**3,043,295**	2,248,672
Administrative expenses	**1,100,259**	850,214
	4,143,554	3,098,886

The Group's interest in leasehold land is analysed as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
In Hong Kong, held on:		
Leases of between 10 and 50 years	**4,378,134**	4,498,543

Motor vehicles includes the following amounts where the Group is a lessee under a finance lease:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Cost-capitalised finance lease	**1,189,952**	–
Accumulated depreciation	**(112,494)**	–
Net book amount	**1,077,458**	–

The Group leases two vehicles under non-cancellable finance lease agreements. The lease term is two years and the ownership of the vehicle lies within the Group (note 24).

Notes to the Combined Financial Statements

For the year ended 31 March 2011

15 GOODWILL

	Goodwill
	HKD
At 31 March 2011	
Cost	14,284,967
Accumulated impairment	(3,243,500)
Net book amount	11,041,467
At 31 March 2010	
Cost	–
Accumulated impairment	–
Net book amount	–

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generated units ("CGUs") identified according to the operating segment of raw cables.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a four-year period. Cash flows beyond the four-year period are extrapolated using the estimated growth rates stated below. Management estimates the pre-tax discount rate that reflects market assessment of the time value of money and specific risk relating to the industry.

Key assumptions of the financial budgets covering the four-year period and other key assumptions used for value-in-use calculations on 31 May 2010 are as follows:

Average sales growth rate (note a)	6%
Terminal growth rate	3%
Discount rate (note b)	20.3%

(a) Average sales growth rate used in the budget for the four-year period ending 31 March 2014.

(b) Discount rate applied to the cash flow projection.

During the year ended 31 March 2011, the carrying amount of the goodwill has been reduced to its recoverable amount through recognition of an impairment loss against goodwill of HKD3,243,500. This loss has been included in the administrative expenses in the combined statement of comprehensive income.

15 GOODWILL (CONTINUED)

Impairment tests for goodwill (Continued)

As at 31 March 2011, the value-in-use calculations was prepared using the same approach as the one prepared on 31 May 2010.

Key assumptions of the financial budgets covering the four-year period and other key assumptions used for value-in-use calculations are as follows:

Average sales growth rate (note a)	10%
Terminal growth rate	3%
Discount rate (note b)	20.3%

(a) Average sales growth rate used in the budget for the four-year period ending 31 March 2015.

(b) Discount rate applied to the cash flow projection.

As at 31 March 2011, no further impairment loss against goodwill was provided.

16 INTEREST IN A JOINTLY CONTROLLED ENTITY

	As at 31 March	
	2011	2010
	HKD	HKD
Share of net assets of a jointly controlled entity	**–**	1,189,273
Loan to a jointly controlled entity	**–**	2,000,000

The loan to a jointly controlled entity is unsecured, interest free and repayable on demand.

Particulars of the jointly controlled entity of the Group during the year ended 31 March 2010 and 2011 are as follows:

Name	**Place of Incorporation and operation**	**Particular of issued share capital**	**Percentage of equity interest attributable to the Group As at 31 March 2011**	**2010**	**Principal activities**	**Note**
SunFair Industrial	Hong Kong	10,000 ordinary shares of HKD1 each	**100%**	50%	Processing and distribution of raw cables in the PRC	(a)

Notes to the Combined Financial Statements

For the year ended 31 March 2011

16 INTEREST IN A JOINTLY CONTROLLED ENTITY (CONTINUED)

(a) On 31 March 2010, the Group acquired the issued share capital representing 50% equity interests in SunFair Industrial from the Ultimate Shareholder at a consideration of HKD1,189,273 and it was accounted for as a jointly controlled entity. On 31 May 2010, the Group acquired the remaining 50% equity interest in SunFair Industrial from Mr. Li Shi Bin at a consideration of HKD10,000,000 and thereafter SunFair Industrial became a wholly owned subsidiary of the Group.

Summarised financial information of the Group's interest in the jointly controlled entity is as follows:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Revenue	**4,532,216**	–
Expenses	**(4,476,115)**	–
Profit before income tax	**56,101**	–
Income tax expense	**(9,607)**	–
Profit for the year	**46,494**	–

	As at 31 March 2010 HKD
Non-current assets	**461,105**
Current assets	**10,417,883**
Total assets	**10,878,988**
Current liabilities	**(9,689,715)**
Net assets	**1,189,273**

17 INVENTORIES

	As at 31 March	
	2011	2010
	HKD	HKD
Raw materials	**6,426,190**	5,372,609
Work in progress	**6,861,524**	4,321,708
Finished goods	**5,575,291**	4,453,207
	18,863,005	14,147,524
Less: Provision for obsolescence (note 7)	**(1,200,684)**	(923,756)
	17,662,321	13,223,768

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to HKD91,324,806 for the year ended 31 March 2011(2010: HKD96,981,039).

As at 31 March 2010 and 2011, apart from those provided for obsolescence, no inventories were stated at their net realisable value.

18 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2011	2010
	HKD	HKD
Trade receivables		
– third parties	**34,168,988**	36,237,542
– a jointly controlled entity (note 30)	**–**	5,245,986
Total trade receivables	**34,168,988**	41,483,528
Prepayments, deposits and other receivables (note a)	**8,242,363**	2,794,900
	42,411,351	44,278,428

Note a: As at 31 March 2011, prepayments of approximately HKD 7,415,000 (2010: 2,620,000) were made for the Placing (as defined in note 31).

As at 31 March 2011, the Group has factored the trade receivables of HKD394,219 (2010: HKD7,522,760), to the bank which substantially all the risks and rewards of these receivables remains within the Group.

The carrying amounts of the Group's trade and other receivables approximate their fair values.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

18 TRADE AND OTHER RECEIVABLES (CONTINUED)

The majority of the Group's sales are on credit terms up to 90 days. As at of 31 March 2011, trade receivables of HKD12,994,338 (2010: HKD12,428,657) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Neither past due nor impaired	**21,174,650**	29,054,871
0-30 days past due	**10,430,955**	10,634,199
31-60 days past due	**2,534,263**	1,685,008
61-90 days past due	**9,600**	–
91-120 days past due	**19,520**	109,450
Past due but not impaired	**12,994,338**	12,428,657
	34,168,988	41,483,528

Trade receivables that were neither past due nor impaired relates to customers with long term business relationships and for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to customers that have a good record with the Group or a sound credit quality. Based on past experience and regular credit risk assessment performed on all significant outstanding trade receivables, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The maximum exposure to credit risk at the the year end is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral over these balances.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at 31 March	
	2011	2010
	HKD	HKD
Hong Kong dollar	**38,157,633**	36,636,392
United States dollar	**3,752,541**	7,642,036
Other currencies	**501,177**	–
	42,411,351	44,278,428

No provision for impairment of trade receivables is provided for the year ended 31 March 2010 and 2011.

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March	
	2011	2010
	HKD	HKD
Unlisted securities		
– Investment funds	**1,016,838**	959,755

Financial assets at fair value through profit or loss represent investment funds invested in listed equity instruments outside Hong Kong. The fair value of the investment funds is based on the quotation from a bank.

The investments were pledged to a bank to secure general banking facilities granted to the Group as at 31 March 2010 and 2011, respectively.

Changes in fair values of the pledged investments are recorded in 'other gains-net' in the combined statements of comprehensive income.

20 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 31 March	
	2011	2010
	HKD	HKD
Cash at bank	**6,507,341**	12,116,666
Pledged deposits	**2,523,824**	2,513,635
Maximum exposure to credit risk	**9,031,165**	14,630,301

The carrying amounts of the Group's cash on hand, cash at bank and pledged deposits are denominated in the following currencies:

	As at 31 March	
	2011	2010
	HKD	HKD
Hong Kong dollar	**6,213,510**	11,199,699
Renminbi	**919,956**	1,766,930
United States dollar	**1,897,699**	1,663,672
	9,031,165	14,630,301

Notes to the Combined Financial Statements

For the year ended 31 March 2011

20 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Cash at bank and pledged deposits earns interest at floating rates based on daily bank deposit rates.

Pledged deposits were used to secure general banking facilities granted to the Group as at 31 March 2010 and 2011, respectively.

21 ISSUED EQUITY

	As at 31 March	
	2011	2010
	HKD	HKD
Issued equity	**3,000,000**	3,000,000

As at 31 March 2011, the issued equity represented the issued share capital of SunFair HK since the Reorganisation was completed subsequent to year end on 27 April 2011. SunFair HK has authorised and issued 3,000,000 (2010: 3,000,000) ordinary shares of HKD1 (2010: HKD1) each at par value. As at 31 March 2011, Able One has authorised 50,000 (2010: 50,000) ordinary shares and issued 3 (2010: 3) ordinary shares of USD1 (2010: USD1) each at par value. The Company has authorised 380,000,000 ordinary shares and issued 1 ordinary share of HKD0.001 each at par value as at 31 March 2011.

22 RESERVES

	Statutory reserve HKD	Retained earnings HKD	Total HKD
Balance at 1 April 2010	1,351,983	30,122,673	31,474,656
Profit and total comprehensive income for the year	–	18,022,740	18,022,740
Dividend (note 12)	–	(10,000,000)	(10,000,000)
Transfer to statutory reserve	829,576	(829,576)	–
Balance at 31 March 2011	2,181,559	37,315,837	39,497,396
Balance at 1 April 2009	500,000	6,964,473	7,464,473
Profit and total comprehensive income for the year	–	24,010,183	24,010,183
Transfer to statutory reserve	851,983	(851,983)	–
Balance at 31 March 2010	1,351,983	30,122,673	31,474,656

(i) In accordance with the relevant regulations and the article of association, a Group's subsidiary incorporated in the PRC is required to allocate at least 10% of the after-tax profit according to the PRC accounting standards and regulations to general statutory reserve until such reserve has reached 50% of registered capital. This reserve can only be used for specific purposes and is not distributable or transferable to the loans, advances, cash dividends. Appropriation to the general statutory reserve for the year ended 31 March 2011 amounted to HKD829,576 (2010: HKD851,983).

Notes to the Combined Financial Statements

For the year ended 31 March 2011

23 TRADE AND OTHER PAYABLES

	As at 31 March	
	2011	2010
	HKD	HKD
Trade payables	**27,360,689**	14,794,762
Other payables	**3,326,866**	2,708,164
Deposit received	**48,475**	3,167,951
Accruals	**2,802,366**	5,474,272
	33,538,396	26,145,149

The carrying amounts of the Group's trade and other payables approximate their fair values.

Payment terms granted by suppliers are mainly 30 to 120 days after end of the month in which the relevant purchase occurred.

The aging analysis of trade payables based on the due date were as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Current	**21,758,531**	10,567,062
0-30 days	**1,762,460**	4,185,762
31-60 days	**924,203**	41,938
61-90 days	**2,042,759**	–
91-120 days	**805,411**	–
121-150 days	**67,325**	–
	27,360,689	14,794,762

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	As at 31 March	
	2011	2010
	HKD	HKD
Hong Kong dollar	**24,596,869**	17,888,401
Renminbi	**6,891,363**	8,148,248
United States dollar	**2,050,164**	108,500
	33,538,396	26,145,149

24 BORROWINGS

	As at 31 March	
	2011	2010
	HKD	HKD
Non current		
Finance lease liabilities	**145,031**	–
	145,031	–
Current		
Trust receipt bank loans	**4,723,725**	4,470,000
Factoring loans	**74,778**	7,522,760
Bank borrowings (note a)	**9,763,807**	13,325,941
Finance lease liabilities	**597,428**	–
	15,159,738	25,318,701
Total borrowings	**15,304,769**	25,318,701

note a: The balance includes portion of term loans due for repayment after one year which contain a repayment on demand clause and that is classified as a current liability.

As at year end, the Group's borrowings are all denominated in Hong Kong dollars.

The weighted average effective interest rates as at year ended 31 March 2011 are as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Bank borrowings	**3.73%**	3.75%
Factoring loan	**1.75%**	1.63%
Trust receipt bank loans	**5.82%**	5.66%
Finance lease liabilities	**3.00%**	N/A

24 BORROWINGS (CONTINUED)

	As at 31 March	
	2011	2010
	HKD	HKD
Gross finance lease liabilities-minimum lease payments		
No later than 1 year	**619,376**	–
Later than 1 year and no later than 5 years	**148,048**	–
Future finance charges on finance lease	**(24,965)**	–
Present value of finance lease liabilities	**742,459**	–

	As at 31 March	
	2011	2010
	HKD	HKD
The present value of finance lease liabilities is as follows:		
No later than 1 year	**597,428**	–
Later than 1 year and no later than 5 years	**145,031**	–
	742,459	–

As of 31 March 2011, the Group had aggregate banking facilities of approximately HKD48,250,000 (2010: HKD48,250,000) for loans, trade financing, factoring and spot and derivative transactions. Unused facilities as at the same dates amounted to HKD33,687,690 (2010: HKD22,931,299). These facilities are secured by:

(a) The Group's buildings and leasehold land with an aggregate net book value of HKD4,645,325 (2010: HKD6,548,488) as at 31 March 2011 (note 14);

(b) Pledge of the Group's financial assets at fair value through profit or loss with an aggregate fair value of HKD1,016,838 (2010: HKD959,755) as at 31 March 2011 (note 19);

(c) Pledge of the Group's bank deposits with an aggregate net book value of HKD2,523,824 (2010: HKD2,513,635) as at 31 March 2011 (note 20);

(d) Corporate guarantees provided by subsidiaries and personal guarantees given by directors as at 31 March 2011 (note 30(c)); and

(e) Corporate guarantee provided by a related company as at 31 March 2010 (note 30(c)).

The fair values of the Group's borrowings approximate their carrying amounts at year end dates.

25 DEFERRED INCOME TAX

The analysis of deferred tax liabilities is as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Deferred income tax liabilities:		
— Deferred income tax liabilities to be recovered after more than 12 months	**847,720**	836,482
— Deferred income tax liabilities to be recovered within 12 months	**25,865**	13,232
	873,585	849,714

The following tables show the deferred tax assets/(liabilities) movements during the year:

	Accelerated tax depreciation	Tax Loss	Withholding tax on undistributed earnings	Total
	HKD	HKD	HKD	HKD
At 31 March 2010	(33,461)	–	(816,253)	(849,714)
Charged to combined statements of comprehensive income	(23,871)	–	–	(23,871)
At 31 March 2011	(57,332)	–	(816,253)	(873,585)
At 31 March 2009	(29,722)	1,178,906	(438,615)	710,569
Charged to combined statements of comprehensive income	(3,739)	(1,178,906)	(377,638)	(1,560,283)
At 31 March 2010	(33,461)	–	(816,253)	(849,714)

As at of 31 March 2011, deferred income tax liabilities of HKD414,788 have not been recognised for the withholding tax that would be payable on the unremitted earnings of a subsidiary. Such amounts are permanently reinvested.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

26 CASH GENERATED FROM OPERATIONS

	Year ended 31 March	
	2011	2010
	HKD	HKD
Profit before income tax	**21,028,926**	28,529,982
Adjustments for:		
– Depreciation	**4,143,554**	3,098,886
– Loss on disposal of property, plant and equipment (see below)	**10,833**	–
– Provision for obsolescence on inventories	**276,928**	335,367
– Provision for impairment of goodwill	**3,243,500**	–
– Gain on disposal of financial assets at fair value through profit and loss	**–**	(19,763)
– Fair value gain on previously held interest	**(5,520,734)**	–
– Fair value loss/(gain) on financial assets at fair value through profit and loss	**(57,083)**	(76,559)
– Share of profit of a jointly controlled entity	**(46,494)**	–
– Finance costs	**805,922**	743,590
– Finance income	**(43,260)**	(4,183)
Cash generated from operations before changes in working capital	**23,842,092**	32,607,320
Changes in working capital:		
– Inventories	**4,955,869**	895,941
– Trade and other receivables	**(2,176,236)**	(10,307,988)
– Financial assets at fair value through profit or loss	**–**	795,543
– Trade and other payables	**(1,490,478)**	6,943,872
– Amounts due from/(to) related companies	**–**	(7,128)
– Amounts due from/(to) directors	**(583,285)**	(3,304,374)
Cash generated from operations	**24,547,962**	27,623,186

26 CASH GENERATED FROM OPERATIONS (CONTINUED)

In the combined statements of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Net book amount (note 14)	**120,833**	–
Loss on disposal of property, plant and equipment	**(10,833)**	–
Proceeds from disposal of property, plant and equipment	**110,000**	–

Major non-cash transactions comprise:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Gain on disposal of a business (note 8(a))	**–**	(13,800,000)
Disposal of a business to employees (note 8(a))	**–**	13,800,000
Assignment of loan to a jointly controlled entity from the Ultimate Shareholder (note a) (note 30)	**–**	2,000,000
Assignment of an amount due to a related company to a director (note b) (note 30)	**–**	(17,842,205)
Acquisition of property, plant and equipment through finance lease liabilities	**999,000**	–
Acquisition of a jointly controlled entity through current accounts with a director	**–**	1,189,273

Note a: During the year ended 31 March 2010, SunFair HK, SunFair Industrial and the Ultimate Shareholder, who is also the director of the Company, entered into an assignment which transfer the loan to the Ultimate Shareholder of HKD2,000,000 to SunFair HK.

Note b: During the year ended 31 March 2010, SunFair HK, SunFair Electric Wire & Cable Company Limited ("Old SunFair") and the Ultimate Shareholder, who is also the director of the Company, entered into an assignment which transfer the amount due to Old SunFair by the Group of HKD17,842,205 to the Ultimate Shareholder.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

27 BUSINESS COMBINATION

On 31 March 2010, the Group acquired 50% interest in SunFair Industrial from the Ultimate Shareholder at a consideration of HKD1,189,273. On 31 May 2010, the Group further acquired the remaining 50% interests in SunFair Industrial from Mr. Li Shi Bin, a senior executive at a consideration of HKD10,000,000 (the "Acquisition"), and SunFair Industrial has since then become a wholly-owned subsidiary of the Group.

The goodwill of HKD14,284,967 arising from the Acquisition is attributable to the economies of scale expected from the operation of the Group and the acquired business.

The following table summarises the consideration paid for SunFair Industrial and the fair value of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value at the acquisition date of the previous held interest in SunFair Industrial.

	HKD
Consideration	
At 31 May 2010	
Cash	10,000,000
Fair value of equity interest in SunFair Industrial held before the business combination	6,756,500
	16,756,500

The fair value of the identified assets and liabilities as of 31 May 2010 arising from the Acquisition is as follows:

	Fair value HKD
Cash and cash equivalents	5,068,694
Property, plant and equipment	1,188,125
Inventories	9,671,350
Trade and other receivables	3,940,663
Amount due from a related company	1,755,207
Trade and other payables	(8,883,725)
Current tax liabilities	(516,294)
Amount due to a director	(13,304)
Amount due to a related company	(7,739,183)
Loans from shareholders	(2,000,000)
Fair value of net identified assets	2,471,533
Goodwill	14,284,967

27 BUSINESS COMBINATION (CONTINUED)

The analysis of the net outflow of cash and cash equivalents in respect of the business combination is as follows:

	HKD
Purchase consideration	10,000,000
Cash and cash equivalents of the subsidiary acquired	(5,068,694)
Net cash outflow for the acquisition of a subsidiary	4,931,306

The Group recognised a gain of HKD5,520,734 as a result of re-measuring at fair value its 50% equity interest in SunFair Industrial previously held before the Acquisition. The gain is included in 'other gains-net' in the combined statement of comprehensive income for the year ended 31 March 2011.

The fair value of the previously held interest in SunFair Industrial was estimated by an independent valuer by applying an income approach. Key assumptions of the financial budgets covering four-year period and other key assumptions used for the valuation are as follows:

Average sales growth rate (note a)	6%
Terminal growth rate	3%
Discount rate (note b)	20.3%

(a) Average sales growth rate used in the budget for the four years period ending 31 March 2014.

(b) Discount rate applied to the cash flow projection.

The acquired business contributed turnover of HKD17,346,182 and profit of HKD542,869 to the Group for the period from its respective date of acquisition to 31 March 2011. If the acquisition had occurred on 1 April 2010, the Group's revenue would have been HKD162,769,922, and net profit for Group for the year ended 31 March 2011 would have been HKD18,115,726. These amounts have been calculated using the Group's accounting policy.

Notes to the Combined Financial Statements

For the year ended 31 March 2011

28 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but not yet incurred as at 31 March 2011 is as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
Property, plant and equipment	**280,000**	27,500

(b) Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases in respect of the factory in the PRC are payable as follows:

	As at 31 March	
	2011	2010
	HKD	HKD
No later than 1 year	**1,935,710**	648,000
Later than 1 year and no later than 5 years	**4,856,288**	–
	6,791,998	648,000

29 CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2010 and 31 March 2011.

30 RELATED PARTY TRANSACTIONS

Transactions between the companies comprising the Group have been eliminated on combination and are not disclosed. Details of transactions between the Group and other related parties are disclosed below.

The Group had the following significant transactions with its related parties during the year:

	Year ended 31 March	
	2011	2010
	HKD	HKD
Sales of goods to		
– SunFair Industrial (note 1)	**2,183,422**	12,676,190
Management service income from		
– SunFair Industrial (note 1)	**612,462**	2,228,397
Disposal of the Raw Cable Business to		
– the Ultimate Shareholder (note 8(a))	**–**	6,900,000
– Mr. Li Shi Bin (note 2) (note 8 (a))	**–**	6,900,000
Purchases of goods from		
– SunFair Industrial	**6,507,116**	37,371,946
Recharge of expenses to		
– SunFair Industrial	**568,967**	3,642,249
Purchase of property, plant and equipment from		
– A close family member of the Ultimate Shareholder	**–**	4,820,200
Acquisition of 50% equity interest in SunFair Industrial from		
– the Ultimate Shareholder	**–**	1,189,273
– Mr. Li Shi Bin	**10,000,000**	–
Assignment of loan to SunFair Industrial from		
– the Ultimate Shareholder	**–**	2,000,000
Assignment of amount due to Old SunFair to		
– the Ultimate Shareholder	**–**	17,842,205
Management fee paid to		
– Logic Dynamic Materials Limited (note 4)	**–**	420,000

Notes to the Combined Financial Statements

For the year ended 31 March 2011

30 RELATED PARTY TRANSACTIONS (CONTINUED)

Note 1: SunFair Industrial was a jointly controlled entity of the Group during the period from 31 March 2010 and up to 30 May 2010. On 31 May 2010, Mr. Li Shi Bin, disposed of its 50% interests in SunFair Industrial to Capital Convoy. As a result, SunFair Industrial became a wholly-owned subsidiary of the Group. SunFair Industrial reimbursed SunFair SZ all directly incurred utility expenses since its operation.

Note 2: Mr. Li Shi Bin is a senior executive of the Group and has been the shareholder of SunFair Industrial up to 30 May 2010 when he disposed of his 50% interests in SunFair Industrial to Capital Convoy.

Note 3: Old SunFair is a limited company held by the Ultimate Shareholder and Mr. Sunny Yau. It has ceased its operations on 31 May 2008 and transferred its assets and business to SunFair HK. Old SunFair has been liquidated on 1 September 2010.

Note 4: Logic Dynamic Materials Limited is owned by Mr. Yeung Shing Wai, a director of the Company.

(a) These transactions were carried out after negotiations between the Group and the related parties in the ordinary course of business and on the basis of estimated market value as determined by the directors.

(b) The emoluments of the directors and a senior executive (representing key management personnel) during the year are set out in note 11.

(c) As at 31 March 2011, certain banking facilities of the Group were secured by corporate guarantees given by subsidiaries and personal guarantees given by directors respectively (note 24(d) and (e)).

(d) The Group had the following balances with related parties:

	As at 31 March	
	2011	2010
	HKD	HKD
Loan to a jointly controlled entity:		
– SunFair Industrial (note 16)	**–**	2,000,000
Receivables from related parties:		
– Logic Dynamic Materials Limited	**7,128**	7,128
– SunFair Industrial (note 18)	**–**	5,245,986
– Mr. Yeung Tin Hung	**204,900**	–
– Mr. Yeung Shing Wai	**38,000**	210,880
Payables to related parties:		
– Mr. Yeung Tin Hung	**–**	537,961

Receivables and payables from/to related companies, a jointly controlled entity and directors are unsecured, interest free and are repayable on demand. None of the receivables from related parties is either past due or impaired. The balances with related parties are denominated in Hong Kong dollar. These balances were subsequently settled after the year end.

31 EVENTS AFTER THE BALANCE SHEET DATE

On 27 April 2011, the Group completed the Reorganisation in preparing for the Listing, details of which are set out in note 1.2.

On 18 May 2011, the Company completed its placing of 165,000,000 shares, which were listed on the GEM of The Stock Exchange of Hong Kong Limited ("Placing") on the same date. The net proceeds from the Company's Placing amounted to approximately HKD29.6 million.

Independent Auditor's Report on the Company's Financial Statements

PricewaterhouseCoopers

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF FAIRSON HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

We have audited the financial statements of Fairson Holdings Limited (the "Company") set out on pages 82 to 89, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 25 June 2010 (date of incorporation) to 31 March 2011, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2011, and of its loss and its cash flows for the period from 25 June 2010 (date of incorporation) to 31 March 2011 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2011

Company's Statement of Comprehensive Income

	Note	For the period from 25 June 2010 (date of incorporation) to 31 March 2011 HKD
Administrative expenses	7	**(155,000)**
Loss and total comprehensive loss for the period		**(155,000)**

The notes on pages 86 to 89 form an integral part of these financial statements.

Company's Statement of Financial Position

	Note	31 March 2011 HKD
ASSETS		
Current assets		
Prepayments		**5,000**
Total assets		**5,000**
EQUITY		
Capital and reserves attributable to the company's equity owner		
Share capital	6	**–**
Accumulated loss		**(155,000)**
Total equity		**(155,000)**
LIABILITIES		
Current liabilities		
Amount due to a related company	9	**160,000**
Total liabilities		**160,000**
Total equity and liabilities		**5,000**
Net current liabilities		**(155,000)**
Total assets less current liabilities		**(155,000)**

Approved by the Board of Directors on 24 June 2011

Yeung Tin Hung
Director

Yeung Shing Wai
Director

The notes on pages 86 to 89 form an integral part of these financial statements.

Company's Statement of Changes in Equity

For the period from 25 June 2010 (Date of Incorporation)
To 31 March 2011

	For the period from 25 June 2010 (date of incorporation) to 31 March 2011		
	Share capital HKD	Accumulated loss HKD	Total equity HKD
Balance at 25 June 2010 (date of incorporation)	–	–	–
Issuance of an ordinary share (note 6)	–	–	–
Loss and total comprehensive loss for the period	–	(155,000)	(155,000)
Balance at 31 March 2011	–	(155,000)	(155,000)

The notes on pages 86 to 89 form an integral part of these financial statements.

Company's Statement of Cash Flows

For the period from 25 June 2010 (Date of Incorporation)
To 31 March 2011

	For the period from 25 June 2010 (date of incorporation) to 31 March HKD
Loss for the period	(155,000)
Increase in prepayments	(5,000)
Increase in amount due to a related company	160,000
Net cash flows generated from operating activities	–
Cash flows from financing activities	
Proceeds from issuance of an ordinary share (note)	–
Net increase in cash and cash equivalents	–
Cash and cash equivalents at end of the period	–

Note:

It represents the proceeds for issuance of 1 ordinary share at its par value of HKD 0.001 on 25 June 2010 (note 3).

The notes on pages 86 to 89 form an integral part of these financial statements.

Notes to the Company's Financial Statements

1 GENERAL INFORMATION

Fairson Holdings Limited (the "Company") was incorporated in the Cayman Islands on 25 June 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is principally engaged in investment holding. In the preparation for a listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), a Reorganisation (as defined in note 1.2 to the combined financial statements of the Company) was completed on 27 April 2011. The Company's shares were subsequently listed on the GEM of The Stock Exchange on 18 May 2011.The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.

These financial statements are presented in Hong Kong Dollar ("HKD") unless otherwise stated. These financial statements covered the period from 25 June 2010 (date of incorporation) to 31 March 2011 (the "Period") and have been approved for issue by the Board of Directors on 24 June 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below.

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standard ("HKFRS"). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 below.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following new or revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the Period and which the Company has not early adopted:

		Effective for accounting periods beginning on or after
HKAS 24 (Revised)	Related Party Disclosures	1 April 2011
HKAS 32 (Amendment)	Classification of right issues	1 April 2011
HKFRS 9	Financial Instruments	1 April 2013
HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement	1 April 2011
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 April 2011
HKAS 12	Income Taxes (Amendments made by Deferred Tax: Recovery of Underlying Assets)	1 April 2012
HK(SIC)-Int 21	Income Taxes-Recovery of Revalued Non-Depreciable Assets	Withdrawn on 1 April 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

		Effective for accounting periods beginning on or after
Improvements to HKFRS-Amendments to:		
HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards	1 April 2011
HKFRS 7	Financial Instruments: Disclosures	1 April 2011
HKAS 1	Presentation of Financial Statements	1 April 2011
HKAS 34	Interim Financial Reporting	1 April 2011
HK(IFRIC)-Int 13	Customer Loyalty Programmes	1 April 2011

The Company will apply these new standards and new interpretations in the period of initial application. They are not expected to have a significant impact on the Company's results of operations and its financial position.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Hong Kong Dollar, which is the Company's functional currency and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.4 Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Company's Financial Statements

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company has no accounting estimates and judgments that would significantly affect its results and financial position.

4 CAPITAL MANAGEMENT

The Company's capital is the total equity. The Company's primary objective for managing its capital is to ensure the Company's ability to continue as a going concern.

5 FINANCIAL RISK MANAGEMENT

As the Company remains inactive since its incorporation, the Company is not exposed to market risk (including currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

Risk management is under policies approved by the Board of Directors.

6 SHARE CAPITAL

The authorised share capital of the Company as of the date of incorporation was HKD380,000 dividend into 380,000,000 shares of HKD0.001. As at the date of incorporation, 1 share was issued.

On 25 June 2010, one share of the Company was allotted and issued to Fairson Holdings (BVI) Limited for cash at par.

7 EXPENSES BY NATURE

Expenses included in administrative expenses are analysed as follows:

	For the Period HKD
Auditor's remuneration	150,000
Secretarial fees	5,000
	155,000

8 DIRECTORS' EMOLUMENTS

During the Period, no director received any emolument from the Company.

9 AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company is unsecured, interest free and is repayable on demand. The balance is denominated in Hong Kong dollars. On 27 April 2011, the Company purchased the three existing shares of Able One Limited of US$100 each from Mr. Yeung Tin Hung and on the same date, the related company became the subsidiary of the Company.

10 EVENTS AFTER THE BALANCE SHEET DATE

On 27 April 2011, the shareholder, Mr Yeung Tin Hung sold the aggregated 3 existing shares of Able One Limited of USD1.00 each, to the Company. The consideration of the sale and purchase of Sale Shares would be satisfied by allotment and issue of 34,999,999 shares of HKD0.001 each in the capital of the Company to Fairson Holdings (BVI) credited as fully paid as directed by Mr. Yeung Tin Hung.

Save as disclosed in Note 1 above, on 18 May 2011, the Company completed its placing of 165,000,000 shares, which were listed on GEM Board of the Stock Exchange ("Placing") on the same date. The net proceeds from the Company's Placing offering amounted to approximately HKD29.6 million.

As a result of the Placing on 18 May 2011, the sum of 350,000,000 shares of HKD0.001 each be capitalised from the amount standing to the credit of the share premium account of the Company.

On 18 May 2011, the authorised share capital of the Company was increased from HKD380,000 to HKD1,000,000 with 1,000,000,000 shares. 550,000,000 shares of the Company were issued as at 18 May 2011.

Financial Summary

COMBINED RESULTS

	Year ended 31 March		
	2011	2010	2009
	HKD'000	HKD'000	HKD'000
Revenue	**160,213**	160,012	184,407
Profit before income tax	**21,029**	28,530	8,008
Income tax expense	**(3,006)**	(4,520)	(1,071)
Profit for the year	**18,023**	24,010	6,937
Earning per Share			
Basic	**N/A**	N/A	N/A

COMBINED ASSETS, EQUITY AND LIABILITIES

	As of 31 March		
	2011	2010	2009
	HKD'000	HKD'000	HKD'000
ASSETS			
Non-current assets	**27,750**	15,982	12,142
Current assets	**70,372**	75,310	57,082
Total assets	**98,122**	91,292	69,224
EQUITY AND LIABILITIES			
Total equity	**42,497**	34,474	10,465
Non-current liabilities	**1,019**	850	439
Current liabilities	**54,606**	55,968	58,320
Total liabilities	**55,625**	56,818	58,759
Total equity and liabilities	**98,122**	91,292	69,224