

FAIRSON HOLDINGS LIMITED
鈺皓控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 8132)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, 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 announcement 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 announcement misleading.

ANNUAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to present the combined results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2011 together with the comparative figures for the year ended 31 March 2010 as follows:

COMBINED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 March	
		<u>2011</u>	<u>2010</u>
		HKD	HKD
Revenue	3	160,212,607	160,012,275
Cost of sales	5	(126,299,803)	(124,416,854)
Gross profit		<u>33,912,804</u>	<u>35,595,421</u>
Other gains - net	4	5,795,739	15,961,174
Selling expenses	5	(5,190,804)	(4,034,201)
Administrative expenses	5	(12,772,645)	(18,253,005)
Operating profit		<u>21,745,094</u>	<u>29,269,389</u>
Finance income	6	43,260	4,183
Finance costs	6	(805,922)	(743,590)
Share of profit of a jointly controlled entity		46,494	-
Profit before income tax		<u>21,028,926</u>	<u>28,529,982</u>
Income tax expense	7	(3,006,186)	(4,519,799)
Profit and total comprehensive income for the year		<u>18,022,740</u>	<u>24,010,183</u>
Earnings per share	9	<u>N/A</u>	<u>N/A</u>
Dividend	8	<u>10,000,000</u>	<u>-</u>

COMBINED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March	
		<u>2011</u>	<u>2010</u>
		HKD	HKD
ASSETS			
Non-current assets			
Property, plant and equipment		16,708,778	14,342,565
Goodwill		11,041,467	-
Interest in a jointly controlled entity		-	1,189,273
Other non-current asset		-	450,000
		27,750,245	15,981,838
Current assets			
Inventories		17,662,321	13,223,768
Trade and other receivables	10	42,411,351	44,278,428
Amount due from a related company		7,128	7,128
Amounts due from directors		242,900	210,880
Loan to a jointly controlled entity		-	2,000,000
Financial assets at fair value through profit or loss		1,016,838	959,755
Pledged deposits		2,523,824	2,513,635
Cash and cash equivalents		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	11	3,000,000	3,000,000
Reserves	12	39,497,396	31,474,656
Total equity		42,497,396	34,474,656
LIABILITIES			
Non-current liabilities			
Borrowings		145,031	-
Deferred income tax liabilities		873,585	849,714
		1,018,616	849,714
Current liabilities			
Trade and other payables	13	33,538,396	26,145,149
Income tax payable		5,907,802	3,965,917
Amount due to a director		-	537,961
Borrowings		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

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 12)	-	851,983	(851,983)	-
Balance at 31 March 2010	<u>3,000,000</u>	<u>1,351,983</u>	<u>30,122,673</u>	<u>34,474,656</u>
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 8)	-	-	(10,000,000)	(10,000,000)
Transfer to statutory reserve (note 12)	-	829,576	(829,576)	-
Balance at 31 March 2011	<u>3,000,000</u>	<u>2,181,559</u>	<u>37,315,837</u>	<u>42,497,396</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 structural reorganisation of the Group (the “Reorganisation”) 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.

2 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 Sun Fair Electric Wire & Cable (HK) Company Limited (“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 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 Hong Kong Financial Reporting Standards (“HKFRSs”) under the historical cost convention, as modified by the financial assets at fair value through profit or loss.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

2 Basis of preparation (Continued)

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

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.

3 Segment information

The chief operating decision-maker (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 handsets and medical control devices
- Raw cables

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3 Segment information (Continued)

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.

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)	<u>42,024,999</u>	<u>105,261,285</u>	<u>11,302,313</u>	<u>1,624,010</u>	<u>160,212,607</u>
Segment results	<u>9,874,190</u>	<u>21,439,352</u>	<u>2,002,029</u>	<u>597,233</u>	<u>33,912,804</u>
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)	<u>43,934,122</u>	<u>81,094,797</u>	<u>29,203,860</u>	<u>5,779,496</u>	<u>160,012,275</u>
Segment results	<u>9,248,911</u>	<u>16,577,291</u>	<u>8,582,395</u>	<u>1,186,824</u>	<u>35,595,421</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3 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 tax is provided as follows:

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	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)
	<hr/>	<hr/>
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	-
	<hr/>	<hr/>
Profit before tax	<u>21,028,926</u>	<u>28,529,982</u>

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	
	<u>2011</u>	<u>2010</u>
	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

3 Segment information (Continued)

Breakdown of revenues from all activities is as follows:

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

4 Other gains - net

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	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	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	-	13,800,000
Management service fee income from a related party	612,462	2,228,397
Sundry income	180,558	-
	<u>5,795,739</u>	<u>15,961,174</u>

5 Expenses by nature

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	HKD	HKD
Depreciation	4,143,554	3,098,886
Impairment of goodwill	3,243,500	-
Employee benefit expense	22,845,602	29,084,578
Provision for obsolescence of inventories	276,928	335,367

NOTES TO THE COMBINED FINANCIAL STATEMENTS

6 Finance income and costs

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	HKD	HKD
Finance costs:		
- Bank borrowings	(463,670)	(344,926)
- Bank overdrafts	-	(58,272)
- Trust receipt bank loans and factoring loans	(342,252)	(340,392)
	<u>(805,922)</u>	<u>(743,590)</u>
Finance income:		
- Short-term bank deposits	<u>43,260</u>	<u>4,183</u>

7 Income tax expense

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	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	23,871	1,560,283
	<u>3,006,186</u>	<u>4,519,799</u>

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

Sun Fair Electric Wire & Cable (Shenzhen) Company Limited, 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

8 Dividend

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

	Year ended 31 March	
	<u>2011</u>	<u>2010</u>
	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.

9 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.

10 Trade and other receivables

	As at 31 March	
	<u>2011</u>	<u>2010</u>
	HKD	HKD
Trade receivables		
- third parties	34,168,988	36,237,542
- a jointly controlled entity	-	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
	<u>42,411,351</u>	<u>44,278,428</u>

Note a: As at 31 March 2011, prepayments of approximately HKD7,415,000 (2010: HKD2,620,000) were made for the initial public offerings.

The majority of the Group's sales are on credit terms up to 90 days. As at 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:

NOTES TO THE COMBINED FINANCIAL STATEMENTS

10 Trade and other receivables (Continued)

	As at 31 March	
	<u>2011</u>	<u>2010</u>
	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
	-----	-----
	<u>34,168,988</u>	<u>41,483,528</u>

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.

11 Issued equity

	As at 31 March	
	<u>2011</u>	<u>2010</u>
	HKD	HKD
Issued equity	<u>3,000,000</u>	<u>3,000,000</u>

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 Investments Limited (“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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

12 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 8)	-	(10,000,000)	(10,000,000)
Transfer to statutory reserve	829,576	(829,576)	-
Balance at 31 March 2011	<u>2,181,559</u>	<u>37,315,837</u>	<u>39,497,396</u>
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	<u>1,351,983</u>	<u>30,122,673</u>	<u>31,474,656</u>

- (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).

13 Trade and other payables

	As at 31 March	
	<u>2011</u>	<u>2010</u>
	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
	<u>33,538,396</u>	<u>26,145,149</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS

13 Trade and other payables (Continued)

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	
	<u>2011</u>	<u>2010</u>
	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	-
	<u>27,360,689</u>	<u>14,794,762</u>

14 Commitments

(a) Capital commitments

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

	As at 31 March	
	<u>2011</u>	<u>2010</u>
	HKD	HKD
Property, plant and equipment	<u>280,000</u>	<u>27,500</u>

(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	
	<u>2011</u>	<u>2010</u>
	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	-
	<u>6,791,998</u>	<u>648,000</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS

15 Contingent liabilities

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

16 Events after the balance sheet date

On 27 April 2011, the Group has completed the Reorganisation in preparing for a listing of shares of the Company on the GEM of The Stock Exchange of Hong Kong Limited.

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 (the “IPO proceeds”).

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 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 approximately 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 IPO proceeds 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 its 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 to maximize the profitability of the Group.

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 SECURITIES

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 approximately 27.0 times as compared to approximately 39.4 times for the year ended 31 March 2010.

The gearing ratio as at 31 March 2011 was approximately 17.2% as compared to 27.7% as at 31 March 2010.

COMPLIANCE WITH THE CODE ON 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 shares of the Company on GEM of the Stock Exchange on 18 May 2011 (the "Listing Date") to the date of this announcement, 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 are explained below:

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.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Li Hin Lung, Mr. Chan Kai Wo and Mr. Chua Hoon Chong, all of whom are independent non-executive Directors of the Company. The Audit Committee has adopted terms of reference which are in line with the code provisions of the Code on Corporate Governance Practices. 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.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2011 have been agreed by the Group's auditors, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft combined financial statements for the year. The work performed by PricewaterhouseCoopers Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support.

By Order of the Board
Fairson Holdings Limited
Yeung Tin Hung
Chairman

Hong Kong, 24 June 2011

As at the date of this announcement, the executive Directors are Mr. Yeung Tin Hung, Mr. Yeung Shing Wai, Mr. Chen Tian Gang and Mr. Zhou Yu Hui, the non-executive Director is Mr. Wong Chi Yung and the independent non-executive Directors are Mr. Li Hin Lung, Mr. Chan Kai Wo and Mr. Chua Hoon Chong.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.sunfairw.com.hk>.