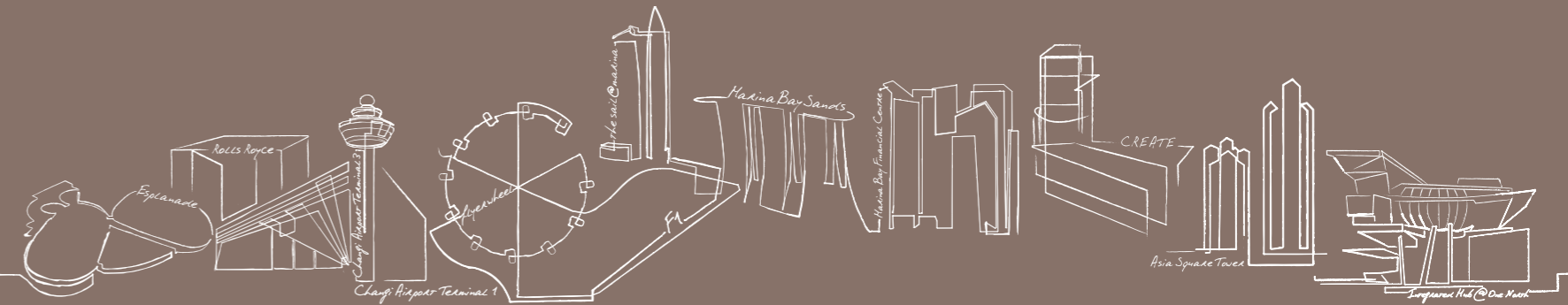




SUNLIGHT



Powering the nation for 40 years.



1970 marked the birth of Sunlight. From a humble electrical contractor, Sunlight has since grown to a leading manufacturer of power distribution products such as low voltage switchgear and motor control centres.

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This Annual Report has been reviewed by the Company's Sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The details of the contact person for the Sponsor are:

Mr. Hoon Tai Meng

80 Raffles Place, #25-01 UOB Plaza 1,
Singapore 048624

Tel: (65) 6238 3367

Sunlight celebrates 40 years of relentless growth with our numerous partners, customers and loyal staff. Here's to many more years of powering the nation.



CORPORATE INFORMATION

Board of Directors

Lim Kwang Joo (*Executive Chairman*)
 Lim Fong Yee Roland (*Chief Executive Officer*)
 Tan Boon Seng
 Song Poo Hok
 Eng Ek Phang
 Koh Beng Leong
 Phoon Han Meng Linus

Joint Company Secretaries

Ong Bee Hoon, CPA
 Teo Chin Kee, ACIS

Registered Office

1 Third Chin Bee Road
 Singapore 618679
 Tel: (65) 6741 9055
 Fax: (65) 6741 5587
 Email: info@sunlightgroup.com

Registrar and Share Transfer Office

M & C Services Private Limited
 138 Robinson Road #17-00
 The Corporate Office
 Singapore 068906

Auditors

KPMG LLP
 Certified Public Accountants
 16 Raffles Quay #22-00
 Hong Leong Building
 Singapore 048581
 Partner-in-charge: Koh Wei Peng
 Date of appointment: FY 2009

Continuing Sponsor

KW Capital Pte Ltd
 80 Raffles Place
 #25-01 UOB Plaza 1
 Singapore 048624

Principal Bankers

United Overseas Bank Limited
 80 Raffles Place
 UOB Plaza 1
 Singapore 048624

Standard Chartered Bank
 51 Bras Basah Road #02-01
 Plaza By The Park
 Singapore 189554

GROUP PROPERTIES

Factory	Tenure	Land area/ Built-in area
1 Third Chin Bee Road Singapore 618679	16 March 1997 - 15 March 2025	7,898 sq.m/ 5,498 sq.m
PTD 37437, Off Jalan Perindustrian Senai 3 Kawasan Perindustrian Senai Fasa 2 81400 Senai Johor, Malaysia	Freehold	4,771 sq.m/ 3,002 sq.m
20 Dai Lo Doc Lap Vietnam-Singapore Industrial Park (Thuan An District, Binh Duong Province, Socialist Republic of Vietnam)	14 May 1998 - 11 February 2046	4,284 sq.m/ 2,519 sq.m

CHIEF EXECUTIVE OFFICER'S MESSAGE

Letter To Shareholders

Founded in 1970 by Chairman Lim Kwang Joo, Sunlight has grown from a humble electrical contractor to a leading manufacturer of power distribution products. Together with established partners like ABB, Schneider Electric, Siemens, Mitsubishi amongst many others, Sunlight has clinched several important and iconic projects that define the cityscape of Singapore today.

The 2010 financial year was a challenging phase for the global economy as many countries and companies were affected by the fragile economic environment. Yet, Sunlight remained resilient during this period of uncertainty, reaping its harvest from major projects such as Marina Bay Sands Integrated Resort, Marina Bay Financial Centre, Renewable Energy Corporation and Khoo Teck Puat Hospital.

Sunlight is proud to end the financial year with significant improvements to the bottom line while maintaining consistency in revenue growth. The disposal of MTSA was completed on 5 June 2009. This is in line with the strategy on focusing on Sunlight's key strengths and core competencies.

Group Results

Sunlight recorded a total turnover of \$44.8 million from continuing operations for the financial year ended 31 March 2010 ("FY2010"), representing an increase of approximately 16% over the previous financial year. This was mainly driven by the turnover from the low voltage switchgear business which increased by \$6.5 million.

Besides the increase in the turnover, gross profit margin also improved as a result of economies of scale, better management and utilisation of resources as well as strong support given by business partners. Hence, Sunlight was able to achieve profit before income tax of \$3.9 million from continuing operations for FY2010 compared to a loss before income tax of \$3 million for FY2009.

**Business Outlook And
Future Plans**

Sunlight has secured several key projects such as the Integrated Hub @ one-north, Rolls Royce building, Campus for Research Excellence and Technological Enterprise (C.R.E.A.T.E), Asia Square Tower and Singapore Refinery Company that are due to commence in the new financial year. Sunlight will continue to focus on core markets such as the residential, commercial and industrial markets while exploring opportunities in the marine and oil and gas segments. Sunlight is also preparing a new range of products and systems to meet the latest product standards i.e., the new IEC 61439-1 & 61439-2.

On 3 May 2010, Sunlight shifted its premise to 1 Third Chin Bee Road. With the 85,000 square feet new facility, Sunlight is expected to be more efficient in various manufacturing processes and be more responsive in meeting customers' needs.

With the region's economic recovery on its track, Sunlight will continue to tap on opportunities in the Asia Pacific region. Sunlight will increase its exposure in these countries through direct participation, representation and local distributorships.

Appreciation

2010 marks the 40th year of Sunlight's relentless growth.

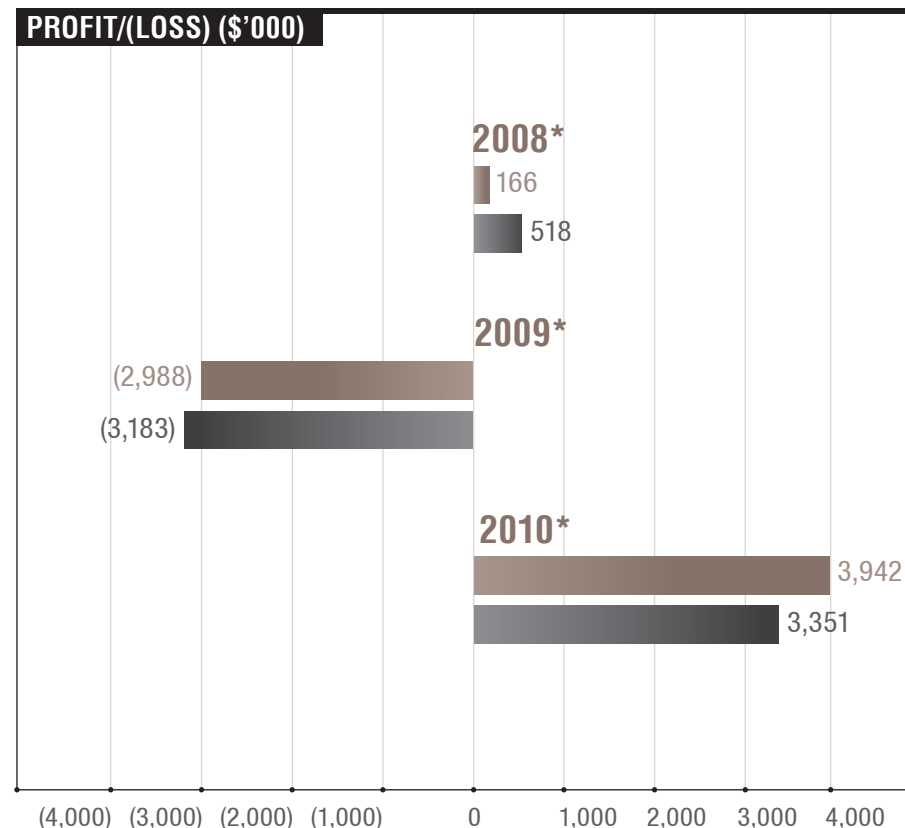
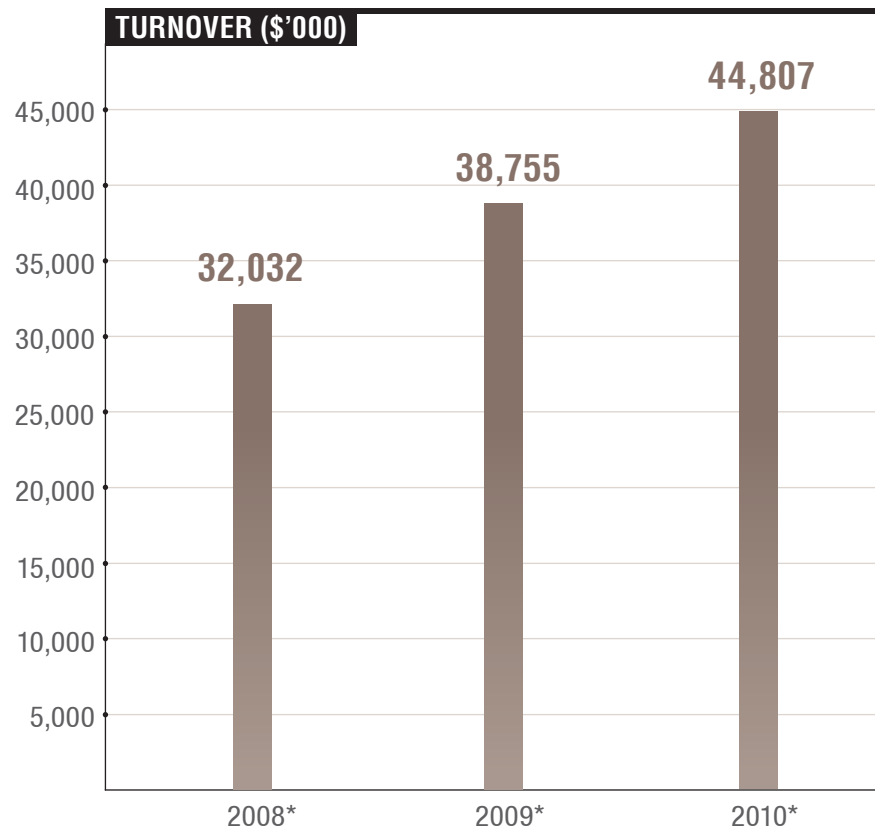
On behalf of the Board, I would like to thank all our shareholders, customers, suppliers, partners and bankers for their unwavering support and confidence through the years. In addition, I would like to thank my fellow directors, management and staff for their dedication, commitment and hard work.

May we continue to achieve good success.

Mr. Lim Fong Yee Roland
Chief Executive Officer

FINANCIAL HIGHLIGHTS

Financial year ending 31 March



■ Profit/(Loss) Before Tax
 ■ Profit/(Loss) After Tax & Minority Interest

* Continuing operations (excludes the results of Media Technology Systems Asia Pte Ltd)



Guided by our traditional values to work hard, strive for innovation and pursue excellence, our people create an environment that brings out the best in everyone.

BOARD OF DIRECTORS

Lim Kwang Joo

As the Executive Chairman of the Group, Mr. Lim Kwang Joo brings with him over 40 years of experience in the electrical industry. He started his career as an electrical apprentice in 1956. In 1963, he was with Fitzpatrick Supermarket as an electrician cum refrigeration mechanic. Subsequently, in 1967, he joined the Public Utilities Board (now known as “SP Services Ltd”) and rose to the position of senior installation inspector. He joined the Group in 1976 when he identified opportunities in the electrical industry. Under his leadership, the Group’s business expanded and diversified from the provision of electrical installation services to the manufacture of LV switchgear. Currently, he is responsible for overall strategic planning and corporate business development.

Lim Fong Yee Roland

Mr. Lim Fong Yee Roland was appointed as the Chief Executive Officer of the Group on 28 February 2007. He has been part of the management team for more than 10 years and serves as its Executive Director. Mr. Roland Lim graduated from the National University of Singapore with a Bachelor of Business Administration degree. He is currently responsible for the strategic and corporate management of the Group.

Tan Boon Seng

Mr. Tan Boon Seng is an Executive Director and has been with the Group since 1975. He has more than 30 years of experience in the LV switchgear industry. In 1997, he assisted the Group in the start-up factory operations in the Vietnam-Singapore Industrial Park. Currently, Mr. Tan is responsible for sales, project management and technical aspects of the Group’s core business, LV switchgear manufacturing.

Song Poo Hok

Mr. Song Poo Hok joined the Board and was appointed as Executive Director on 3 May 2007. He is currently the Managing Director of Swee Lee Music Company Private Limited and has more than 40 years of experience in the music industry. His extensive experience and standing in the music industry adds a new dimension to the Group’s business. Mr. Song is involved in business development of the Group.

Eng Ek Phang

Mr. Eng Ek Phang was appointed as Independent Director of the Group on 12 August 2005. He is also the Chairman of the Nominating and Audit Committees and a member of the Remuneration Committee as well as the Lead Independent Director. He is a FCPA (Singapore), FCCA (U.K.), C.A. (Malaysia) and a FCPA (Australia). He is currently the Managing Partner of the audit firm, Bob Eng & Partners Certified Public Accountants, a director of several consulting companies, the audit committee chairman of Seletar Country Club and an audit committee member of Management Development Institute of Singapore. He is also one of the trustees of Lions Homes for the Elders.

Koh Beng Leong

Mr. Koh Beng Leong was appointed as Independent Director of the Group on 12 August 2005. He is also the Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees. He is a Certified Public Accountant (Australia) and holds a Master of Professional Accounting from University of Southern Queensland, Australia and a Bachelor of Economics from Monash University, Australia. His work experience spans from being a management consultant to a project financial controller for his clients' China, Dubai, Malaysia and Vietnam projects. He is currently engaged as CFO of a leading Vietnam distribution and investment group.

Phoon Han Meng Linus

Mr. Phoon Han Meng Linus was appointed as Independent Director of the Group on 30 March 2009. He is also a member of the Nominating, Remuneration and Audit Committees. He graduated from the National University of Singapore in 1995 with a Bachelor of Social Science (Honours 2nd Class Upper in Economics) and a Bachelor of Science with Merit (Faculty of Science Dean's List 1994). He is currently the CEO of Canopius Asia Pte Ltd since 2008. Prior to that, he spent 7 years in Converium Ltd where he acted as the Principal Officer and General Manager, in charge of the Singapore branch with responsibility for business in the whole of Asia region excluding Japan, Australia and New Zealand, including offices in Kuala Lumpur and Labuan.

MANAGEMENT

Mr. Sung Puay Kiang

is the President and Executive Director of Sunlight Electrical Pte Ltd (“Sunlight Electrical”) whilst holding the office of Managing Director of Sunlight Switchgear Sdn Bhd. Mr. Sung graduated from the National University of Singapore in 1994 with a Bachelor degree (Merit) in Business Administration. In the same year, he joined Sunlight Electrical as the quality and human resource manager. In 1995, Mr. Sung embarked on the quality management system and achieved ISO 9000 quality system, awarded by PSB Certification in 1997. Subsequently, he was entrusted the responsibilities of a factory manager to oversee all production-related activities. At the end of 2001, Mr. Sung was assigned to set-up and run the operations of Sunlight Switchgear Sdn Bhd, our manufacturing arm in Johor, Malaysia. He is currently involved in the strategic planning, policy formulation and execution for corporate growth and development of Sunlight Electrical. He is also responsible for all overseas businesses in the Asia Pacific/Middle East region.

Mr. Tan Kok Keng

is the General Director of Sunlight Electrical (Vietnam) Co., Ltd and Executive Director of Sunlight Electrical. He is stationed in Vietnam and has been responsible for the entire operation in Vietnam since March 2006. Mr. Tan brings with him more than 15 years of experience in the field of electrical distribution. He holds a Bachelor of Science degree in Business and Management Studies and a Diploma in Marketing from The Chartered Institute of Marketing.

Mr. Koh Nai Puay

is the Vice President for Procurement. Mr. Koh has more than 22 years of experience in building services for commercial, industrial and residential projects. Prior to joining the Group, Mr. Koh was a technical officer with the electrical engineering department in Jurong Town Corporation. In 1981, he joined Sunlight Electrical and was assigned to head the M & E engineering arm of the Group. Mr. Koh holds a Diploma in Electrical Engineering from Singapore Polytechnic.

Ms. Ong Bee Hoon

is the Group Finance Manager and Company Secretary. She is responsible for financial and management reporting of the Group and compliance with the regulations of the Singapore Exchange Securities Trading Limited. She graduated from the National University of Singapore with a Bachelor of Accountancy degree in 1991. Upon graduation, she joined DBS Bank as a bank officer in the finance and tax department. In 1995, she joined Banque Nationale de Paris as an accounts officer in the accounts and financial control department. Her duties included head office reporting, management reporting and reporting to the Monetary Authority of Singapore. Ms. Ong joined the Group in 1999 and is a non-practicing Certified Public Accountant.

Mr. Lim Lek Hwee John

joined Sunlight Electrical in September 2003 and is currently VP-Architectural Lighting, Controls and Sound of its lighting division, Sunlight Luminaire. Mr. Lim has more than 10 years of sales and marketing experience which includes 7 years in project sales in the lighting industry where he built up his knowledge in architectural lighting design specifications and lighting control systems. He is currently responsible for the overall marketing plans, operations and management of Sunlight Luminaire. He holds a Diploma in Electrical Engineering from Singapore Polytechnic, Postgraduate Diploma in Marketing from Chartered Institute of Marketing in United Kingdom, Professional Diploma in Asia Pacific Marketing from National University of Singapore Extension and is a Professional Marketer (Asia Pacific) qualifier.

Mr. Chua Tan Peak Darius

is an Executive Director of Paprika Global Pte Ltd, (“Paprika Global”). He has more than 15 years of experience in the internet & information technology industry actively planning, designing, developing and managing technology strategies and solutions for multi-national clients as well as government agencies in the Asia Pacific region. His experience in working on regional projects and developing insights into the motivations of key stakeholders have been vital to the success of integrated marketing campaigns. Prior to co-founding Paprika Global, Darius spent 3 eventful years as a regional consultant in IBM (Lotus Division) specialising in intranets and workflow. During this period, he received extensive training in Usability Design (Hiser Consulting Australia) and Knowledge Management.

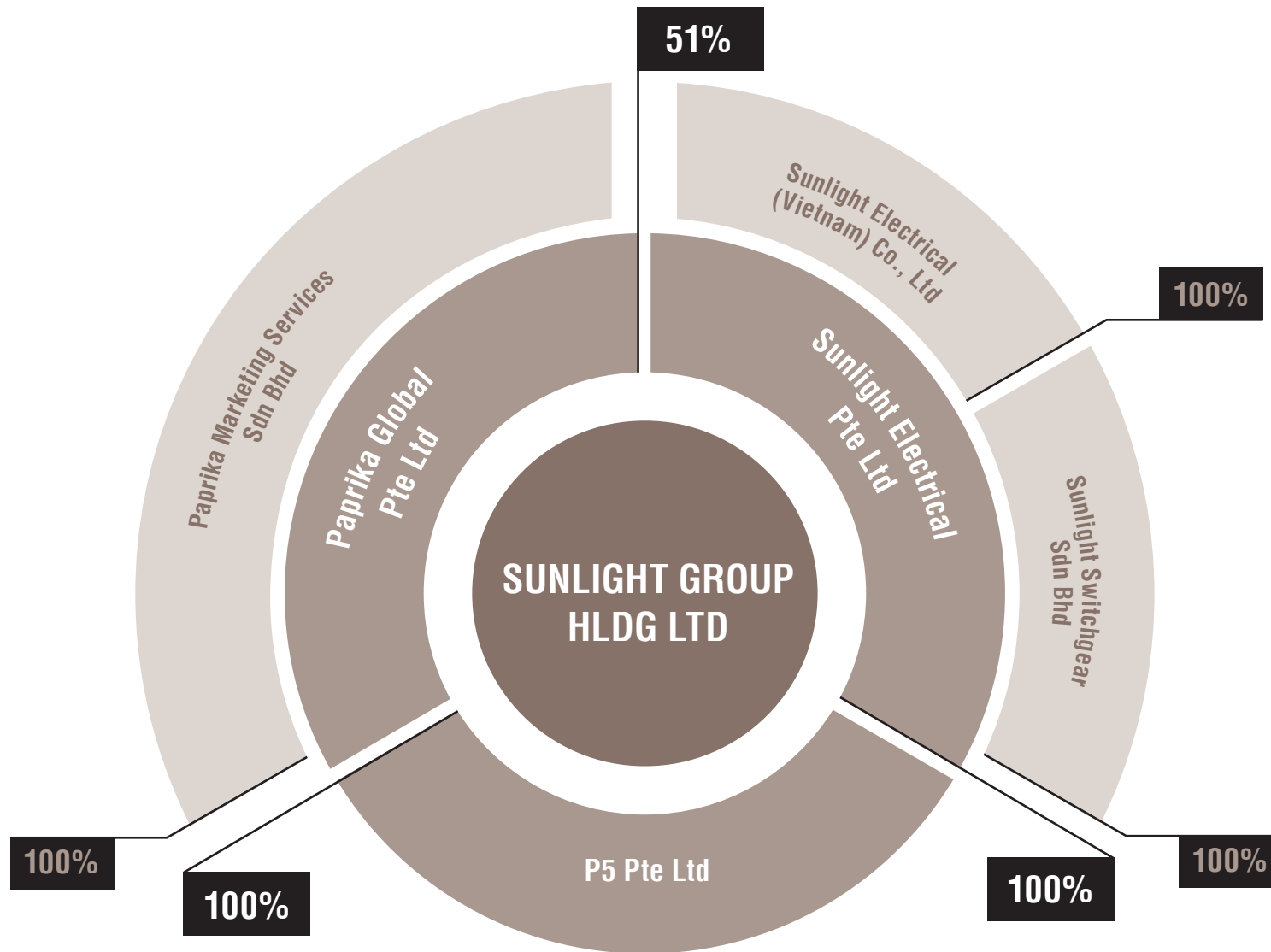
Mr. Toh Wai Sung Jermyn

is the Managing Director of Paprika Marketing Services Sdn Bhd (“Paprika Marketing Services”). He has been in the advertising and communications industry for the past 10 years and started his career in Saatchi & Saatchi (Singapore) in 1997. He moved up the ranks quickly and was soon responsible for managing Saatchi & Saatchi’s Integrated Design Team. In 2000, he left the traditional advertising space and joined Web Connection, a company of the chinadotcom Group, where he managed one of the group’s largest client accounts. His responsibilities included developing and implementing online business strategies and integrated communications initiatives. Mr. Jermyn Toh joined Paprika Global in 2001 and in 2005, he moved to Kuala Lumpur to set-up and run Paprika Marketing Services.

Mr. Tan Tiong Peng

joined Sunlight Electrical in September 2007 as a Technical Manager. He was subsequently redesignated as the Engineering & Design Manager overseeing the design and R&D team responsible for improving, developing and implementing new switchboard designs. Mr. Tan has more than 16 years of experience in the switchboard industry in the area of sales and engineering. He holds a Diploma in Electrical Engineering from Singapore Polytechnic.

ORGANISATION STRUCTURE



Instilled with the spirit of creativity, innovation and pursuit of engineering excellence, we will continue to seek new breakthroughs to create value for our customers and end users.



CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of Sunlight Group Hldg Ltd (“Sunlight” or the “Company”) is committed and dedicated to maintaining high standards of corporate governance and endorses the recommendations of the Singapore Code of Corporate Governance 2005 (“Code”), in order to protect the interests of its shareholders. This Report describes the Company’s corporate governance processes and practices with specific reference to the principles of the Code. The Company confirms that it has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained the areas of non-compliance. For effective corporate governance, the Company has put in place the following self-regulatory and monitoring mechanisms:

BOARD MATTERS

Principle 1 Board’s Conduct and its Affairs

The Board comprises:

Lim Kwang Joo	Executive Chairman
Lim Fong Yee Roland	Chief Executive Officer & Executive Director
Tan Boon Seng	Executive Director
Song Poo Hok	Executive Director
Eng Ek Phang	Lead Independent Director
Koh Beng Leong	Independent Director
Phoon Han Meng Linus	Independent Director

The Board is engaged in setting business direction and participates in major decisions for the Company and its subsidiaries (the “Group”). This includes investment and divestment decisions, shareholders’ matters, annual budget, appointment of directors, chief executive officer and company secretary and the review and approval of the consolidated financial statements and directors’ report of the Group.

To assist in the execution of its responsibilities, the Board has established a number of committees, including an Executive Committee, a Nominating Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

In the year under review, the number of Board meetings (including committee meetings) held and attended by each member are as follows:

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	2	2	1	1
No. of meetings attended				
Lim Kwang Joo	2	2	-	-
Lim Fong Yee Roland	2	2	1	1
Tan Boon Seng	2	2	-	-
Song Poo Hok	2	2	-	-
Eng Ek Phang	2	2	1	1
Koh Beng Leong	2	2	1	1
Phoon Han Meng Linus	1	1	1	1

Principle 2 **Board Composition and Balance**

The Board comprises seven Directors of whom four are executive and three are non-executive and independent. The board composition complies with the Code's requirement that at least one-third of the Board should be made up of independent directors.

Principle 3 **Chairman and Chief Executive Officer**

There is clear separation of roles and responsibilities between Chairman and Chief Executive Officer ("CEO"). Mr. Lim Fong Yee Roland, the CEO, is the son of the Executive Chairman, Mr. Lim Kwang Joo. The Code recommends that where the Chairman and CEO are related by close family ties, the Company may appoint an independent non-executive director to be the lead independent director. To enhance the independence of the Board as well as to provide an additional channel of communication to shareholders, the Company has appointed Mr. Eng Ek Phang as the lead independent director.

Principle 4**Board Membership****Principle 5****Board Performance****Nominating Committee**

In compliance with the Code, we have established a Nominating Committee and it comprises the following directors:

Eng Ek Phang (Chairman)	Independent Director
Koh Beng Leong	Independent Director
Phoon Han Meng Linus	Independent Director

The functions of the Nominating Committee include the following:

- consider, at the request of the Board or Chairman, the making of any appointment or reappointment to the Board;
- provide advice and recommendations to the Board or Chairman on any such appointment;
- determine the independence of each director; and
- assess the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Board recognises the merit of having some degree of formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board. The Nominating Committee and Board has evaluated the performance of the Board as a whole using a set of performance criteria.

Executive Committee

The Executive Committee comprises the following executive directors:

Lim Kwang Joo (Chairman)
 Tan Boon Seng
 Lim Fong Yee Roland
 Song Poo Hok

The Executive Committee acts for the Board in supervising the management of the Company's business and affairs within the limits of authority delegated by the Board and approve routine and other operational matters of the Company.

Principle 6 **Access to information**

The members of the Board have access to timely information necessary for their decision-making. In particular, board papers are prepared and circulated to members of the Board before each Board meeting.

The Directors have access to the professional corporate secretarial services firm and they can seek independent professional advice when required.

REMUNERATION MATTERS

Principle 7 **Procedures for Developing Remuneration Policies**
Principle 8 **Level and Mix of Remuneration**

Remuneration Committee

We have established a Remuneration Committee which shall make recommendations to the Board on the Company's framework of remuneration for the directors. The Remuneration Committee comprises:

Koh Beng Leong (Chairman)	Independent Director
Eng Ek Phang	Independent Director
Phoon Han Meng Linus	Independent Director

The Company complies with the Code which requires all members of the Remuneration Committee to be non-executive, a majority of whom, including the Chairman, should be independent.

The functions of the Remuneration Committee include the following:

- recommend a remuneration policy for directors; and

- review and recommend the remuneration for each director.

No individual director is involved in deciding his own remuneration or the remuneration of another director related to him. Non-executive directors are paid directors' fees annually after approval by shareholders at the Annual General Meeting.

Principle 9 **Disclosure on Remuneration**

Breakdown of remuneration of each Director by % (financial year ended 31 March 2010)

Remuneration Band	Name of Director	Salary and CPF	Fees
\$250,000 to below \$500,000	Lim Kwang Joo	100%	-
Below \$250,000	Lim Fong Yee Roland	100%	-
	Tan Boon Seng	100%	-
	Song Poo Hok	100%	-
	Eng Ek Phang	-	100%
	Koh Beng Leong	-	100%
	Phoon Han Meng Linus	-	100%

For the financial year ended 31 March 2010, the top 6 key executives (who are not Directors) of the Group are Mr. Sung Puay Kiang (President and executive director of Sunlight Electrical Pte Ltd), Mr. Tan Kok Keng (General Director of Sunlight Electrical (Vietnam) Co., Ltd and executive director of Sunlight Electrical Pte Ltd), Mr. Koh Nai Puay (Vice President for Procurement), Ms. Ong Bee Hoon (Group Finance Manager and Company Secretary), Mr. Lim Lek Hwee John (Vice President-Architectural Lighting, Controls and Sound) and Mr. Tan Tiong Peng (Engineering & Design Manager). The remuneration of each of these 6 key executives did not exceed \$250,000.

There is no immediate family member of a Director or the CEO who is an employee of the Group whose remuneration has exceeded \$150,000 for the financial year ended 31 March 2010.

ACCOUNTABILITY AND AUDIT

Principle 10 **Accountability**

The Board fully recognises that it has a responsibility to provide timely, reliable and fair disclosure of material information to the shareholders.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with management accounts on a monthly basis, which present a balanced and understandable assessment of the Company's performance, position and prospects.

Principle 11 **Audit Committee**

The Audit Committee comprises:

Eng Ek Phang (Chairman)	Independent Director
Koh Beng Leong	Independent Director
Phoon Han Meng Linus	Independent Director

The Company complies with the Code which requires the Audit Committee to comprise at least three directors, all members to be non-executive, the majority of whom, including the Chairman, to be independent.

In considering appointing an independent director to the Audit Committee, the Board will consider the qualification of the person and that at least two members should have accounting or related financial management experience.

The Committee performs the following functions:

- review with the external auditors the audit plan, the external auditors' evaluation of the internal accounting controls, the assistance given by the Company's officers to the external auditors and the audit report;
- review of the half-year and full year consolidated financial statements of the Group and the announcements prior to submission to the Board for approval;

- review the adequacy of the Company's internal controls, as set out in Principle 12;
- review and recommend to the Board the appointment or re-appointment of external auditors, taking into consideration the non-audit services rendered by the external auditors and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors; and
- review interested person transactions.

The Audit Committee may meet the external auditors at any time, without the presence of the Company's management.

The Audit Committee has reviewed the volume of non-audit services (FY2010: \$31,996) provided to the Group by the external auditors and was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Audit Committee has recommended to the Board that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Audit Committee has the authority to investigate any matters within its terms of reference, full access to and co-operation by Management and is authorised to seek independent professional advice to enable it to discharge its functions properly.

The Company has put in place a whistle-blowing framework, which provides staff with accessible channels within the Group for reporting possible improprieties in matters of financial reporting or other matters in confidence so that appropriate follow-up action will be taken.

Principle 12 **Internal Controls**

The Company maintains a system of internal controls for all companies within the Group. The internal controls are designed to provide reasonable assurance that proper accounting records are maintained, assets are adequately safeguarded, operational controls are in place and business risks are suitably addressed.

The Audit Committee is satisfied that the system of internal controls is adequate in light of the nature and size of the Company's business and operations.

Principle 13**Internal Audit**

The Audit Committee members are of the view that it is currently not cost effective to have an internal audit (which has to be independent of other functions) in relation to the present operations of the Group.

COMMUNICATION WITH SHAREHOLDERS**Principle 14****Communication with Shareholders****Principle 15****Greater Shareholder Participation**

The Board believes in timely communication of information to shareholders and the public. Appropriate announcements on major developments that impact the Company or the Group will be made via SGXNET and then posted on the Company's website.

At the Annual General Meeting and any other general meetings of the Company, shareholders are given the opportunities to express their views and ask the Board questions regarding the operations of the Company.

The Chairman of the Audit Committee, Nominating Committee and Remuneration Committee were present and available to address questions at the Annual General Meeting. The external auditors were also present to address any shareholders queries about the auditor's report.

Dealings in Securities

Under the Code of Best Practices on Securities Transactions adopted by the Company, the Company, its officers and their immediate family members should not be dealing in the Company's securities during the period commencing one month before the announcement of its financial statements and ending on the date of the announcement. The officers are also reminded that the law on insider dealing is applicable at all times, notwithstanding the window periods provided in the internal code.

Interested Person Transaction

The Group's disposal of its entire stake in MTSA was approved by shareholders in an extraordinary general meeting held on 15 May 2009. Except for the abovementioned disposal of MTSA, there were no other interested person transactions entered into under shareholders' mandate or otherwise during the year under review that were \$100,000 or more.

Risk Management and Processes

Information relating to financial risk management objective and processes are set out on page 92 of the Annual Report.

In addition, the Group is also subjected to other business risks. The Group's core business is dependent on local construction industry. Any decline in the local construction industry will result in a decrease in demand for LV switchgear and increase price competition which will in turn affect turnover and profitability. The Group continues to maintain good relationships and work closely with its customers. There is also constant monitoring on collection of debts.

The Group also faces a shortage of local skilled labour for manufacturing operations. The LV switchgear is generally labour intensive and dependent on skilled and semi-skilled workers.

The Group's success is dependent on the continued services of our key management personnel. The Group provided ample training to general staff to upgrade their skills and opportunities for identified management staff to take up more responsibilities as part of the succession plan.

Non-Sponsor Fees

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is KW Capital Pte. Ltd. There was no non-sponsor fees paid to KW Capital Pte. Ltd. or any entities affiliated with the sponsor except for \$19,000 of legal fees paid to a firm affiliated with the sponsor by the Company for the year ended 31 March 2010.

OPERATIONS REVIEW

FINANCIAL PERFORMANCE

Switchgear business

The switchgear business contributed approximately 94% of the Group's revenue for the financial year ended 31 March 2010 ("FY2010"). Its revenue increased approximately 18% from \$35.8 million for the financial year ended 31 March 2009 ("FY2009") to \$42.2 million for FY2010.

The increase in revenue was mainly attributable to major projects delivered during FY2010, which included Marina Bay Sands Integrated Resort (North & South podium and Hotel package), Marina Bay Financial Centre, Renewable Energy Corporation (REC) and Khoo Teck Puat Hospital.

As a result, there was an increase in operating profit from \$1.5 million in FY2009 to \$4.1 million in FY2010.

Consultancy business

The revenue from the consultancy services business decreased from \$3.0 million for FY2009 to \$2.3 million for FY2010, representing a decrease of approximately 22%.

Despite a fall in revenue, lower cost of sales lead to an increase in operating profit from approximately \$39,000 in FY2009 to approximately \$173,000 in FY2010.

Others

Increase in Administrative and Distribution Expenses

There is an increase in administrative expenses of approximately \$802,000 and distribution expenses of \$643,000 mainly due to increase in staff costs.

Decrease in Other Operating Expenses

In FY2009, the Group recorded a one-off impairment of goodwill on consolidation of approximately \$4.3 million in Other Operating Expenses in relation to the Group's investment in MTSA. There was no such goodwill written off in FY2010.

MAJOR EVENTS

Media Technology Systems Asia Pte Ltd (“MTSA”)

The Company completed the disposal of MTSA for a cash consideration of \$2 million on 5 June 2009. As a result, MTSA ceased to be a subsidiary. The results of MTSA were therefore classified under discontinued operations in the consolidated income statement.

P5 Pte Ltd

On 24 July 2009, the Group announced the establishment of a wholly owned subsidiary company, P5 Pte Ltd in Singapore. The principal activities of P5 Pte Ltd are trading of decorative lighting, furniture and other interior related products.

Capital Reduction Exercise

On 29 June, 8 July and 30 July 2009, the Company announced its plan to reduce and cancel its share capital, which is unrepresented by available assets to the extent of approximately \$19,666,226 as at 31 March 2009. This amount was applied to cancel the accumulated losses of the Company as at 31 March 2009 of \$19,666,226. The Company’s issued and paid-up share capital was reduced from S\$27,515,294 to S\$7,849,068. The exercise was completed on 11 November 2009.

Subsequent to the above, the Company’s wholly owned subsidiary, Sunlight Electrical Pte Ltd (“Sunlight Electrical”) also undertook a similar capital reduction exercise as announced on 30 April 2010 and 5 May 2010. This amount will be applied to cancel the accumulated losses of Sunlight Electrical as at 31 March 2009 of \$5,595,741. Sunlight Electrical’s issued and paid-up share capital will be reduced from S\$9,899,998 to S\$4,304,257.

Acquisition of Property

On 4 September, 14 September and 7 December 2009, the Group announced the acquisition of a property located at 1 Third Chin Bee Road Singapore 618679 for \$3,450,000 by Sunlight Electrical.

The property is a single-storey factory with adjoining 2-storey office block with a tenure lease of 28 years from 16 March 1997 granted by the Jurong Town Corporation. It has an approximate land area of 7,898 square metres. Sunlight Electrical has moved its operations to the new premises from 3 May 2010.

Financial Review

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DIRECTORS' REPORT

We submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2010.

DIRECTORS

The directors in office at the date of this report are as follows:

Lim Kwang Joo	Koh Beng Leong
Tan Boon Seng	Song Poo Hok
Lim Fong Yee Roland	Phoon Han Meng Linus
Eng Ek Phang	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Lim Kwang Joo		
Sunlight Group Hldg Ltd		
- ordinary shares		
- direct interests	55,375,000	59,125,000
- deemed interests	7,500,000	-
Tan Boon Seng		
Sunlight Group Hldg Ltd		
- ordinary shares	11,000,000	11,000,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Lim Fong Yee Roland Sunlight Group Hldg Ltd - ordinary shares	22,500,000	26,250,000
Song Poo Hok Sunlight Group Hldg Ltd - ordinary shares	36,000,000	36,000,000
Phoon Han Meng Linus Sunlight Group Hldg Ltd - ordinary shares	3,209,000	3,209,000

By virtue of Section 7 of the Act, Mr. Lim Kwang Joo is deemed to have an interest in the shares held by the Company in the subsidiaries at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2010.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 29 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

Eng Ek Phang (Chairman)	Independent director
Koh Beng Leong	Independent director
Phoon Han Meng Linus	Independent director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- (i) assistance provided by the Company's officers to the internal and external auditors;
- (ii) half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- (iii) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Lim Kwang Joo

Director

23 June 2010

Tan Boon Seng

Director

STATEMENT BY DIRECTORS

In our opinion:

- (a) the financial statements set out on pages 34 to 103 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Lim Kwang Joo

Director

23 June 2010

Tan Boon Seng

Director

INDEPENDENT AUDITORS' REPORT

Members of the Company Sunlight Group Hldg Ltd

We have audited the accompanying financial statements of Sunlight Group Hldg Ltd (the “Company”) and its subsidiaries (the “Group”), which comprise the balance sheets of the Group and the Company as at 31 March 2010, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 103.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation

of the financial statements 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 management, 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:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore

23 June 2010

BALANCE SHEETS

As at 31 March 2010

	Note	Group			Company	
		2010	2009	2008	2010	2009
		\$	\$	\$	\$	\$
		Restated	Restated			
Non-current assets						
Property, plant and equipment	4	6,415,117	2,720,441	2,787,162	-	-
Lease prepayment	5	221,425	265,500	273,777	-	-
Intangible assets	6	155,447	1,385,836	5,716,428	-	-
Subsidiaries	7	-	-	-	4,663,488	6,363,488
Long-term trade receivables	8	267,131	144,841	182,869	-	-
Deferred tax assets	17	18,114	-	-	-	-
Other financial assets	9	391,000	391,000	391,000	-	-
		7,468,234	4,907,618	9,351,236	4,663,488	6,363,488
Current assets						
Inventories	10	5,798,739	7,574,555	6,369,507	-	-
Trade and other receivables	11	12,497,550	14,721,785	10,756,611	2,828,429	1,719,709
Other financial assets	9	44,850	22,418	123,308	-	-
Cash and cash held with financial institutions	12	4,907,685	1,293,400	1,807,238	119,085	107,362
Assets classified as held for sale	24	-	743,022	-	-	-
		23,248,824	24,355,180	19,056,664	2,947,514	1,827,071
Total assets		30,717,058	29,262,798	28,407,900	7,611,002	8,190,559

The accompanying notes form an integral part of these financial statements.

	Note	Group			Company	
		2010	2009	2008	2010	2009
		\$	\$	\$	\$	\$
		Restated	Restated			
Equity attributable to equity holders of the parent						
Share capital	13	7,849,068	27,515,294	27,515,294	7,849,068	27,515,294
Reserves	14	9,685,760	(12,759,227)	(9,191,899)	(364,560)	(19,666,226)
		17,534,828	14,756,067	18,323,395	7,484,508	7,849,068
Minority interest		242,706	164,438	152,538	-	-
Total equity		17,777,534	14,920,505	18,475,933	7,484,508	7,849,068
Non-current liabilities						
Finance lease liabilities	15	113,056	156,474	15,284	-	-
Amounts due to financial institutions	16	3,037,761	626,806	741,705	-	-
Deferred tax liabilities	17	-	22,121	19,003	-	-
		3,150,817	805,401	775,992	-	-
Current liabilities						
Trade and other payables	18	7,620,723	11,125,059	7,484,859	126,494	103,169
Current portion of						
- finance lease liabilities	15	35,656	34,700	2,674	-	-
- amounts due to financial institutions	16	1,664,516	2,237,346	1,662,617	-	238,322
Current tax payable		467,812	19,874	5,825	-	-
Liabilities classified as held for sale	24	-	119,913	-	-	-
		9,788,707	13,536,892	9,155,975	126,494	341,491
Total liabilities		12,939,524	14,342,293	9,931,967	126,494	341,491
Total equity and liabilities		30,717,058	29,262,798	28,407,900	7,611,002	8,190,559

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2010

	Note	2010	2009
		\$	\$
			Restated
Continuing operations			
Revenue	19	44,806,996	38,754,942
Cost of sales		(32,208,398)	(29,768,175)
Gross profit		12,598,598	8,986,767
Other operating income		583,376	282,530
Distribution expenses		(2,408,790)	(1,765,540)
Administrative expenses		(6,562,687)	(5,760,952)
Other operating expenses		(107,830)	(4,578,245)
Finance expense	20	(161,073)	(152,090)
Profit/(Loss) before income tax		3,941,594	(2,987,530)
Income tax expense	21	(513,894)	(181,678)
Profit/(Loss) from continuing operations	22	3,427,700	(3,169,208)
Discontinued operations			
Loss from discontinued operations, net of tax	24	(77,859)	(371,298)
Profit/(Loss) for the year		3,349,841	(3,540,506)

The accompanying notes form an integral part of these financial statements.

	Note	2010	2009
		\$	\$
			Restated
Attributable to:			
Equity holders of the parent		3,273,124	(3,554,537)
Minority interest		76,717	14,031
Profit/(Loss) for the year		3,349,841	(3,540,506)
Earnings/(Loss) per share			
Basic earnings/(loss) per share (cents)	23	1.25	(1.36)
Diluted earnings/(loss) per share (cents)	23	1.25	(1.36)
Continuing operations			
Basic earnings/(loss) per share (cents)		1.28	(1.22)
Diluted earnings/(loss) per share (cents)		1.28	(1.22)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2010

	2010	2009
	\$	\$
		Restated
Profit/(Loss) for the year	3,349,841	(3,540,506)
Other comprehensive income		
Translation differences relating to financial statements of foreign subsidiaries	(492,812)	(14,922)
Other comprehensive income for the year, net of income tax	(492,812)	(14,922)
Total comprehensive income for the year	2,857,029	(3,555,428)
Attributable to:		
Equity holders of the parent	2,778,761	(3,567,328)
Minority interest	78,268	11,900
Total comprehensive income for the year	2,857,029	(3,555,428)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2010

Note	Share capital	Translation reserve	Accumulated (losses)/profits	Total attributable to equity holders of the Company	Minority interest	Total equity
	\$	\$	\$	\$	\$	\$
At 1 April 2008	27,515,294	(1,140,054)	(8,461,462)	17,913,778	152,538	18,066,316
Effect of change in accounting policy	-	22,294	387,323	409,617	-	409,617
At 1 April 2008, restated	27,515,294	(1,117,760)	(8,074,139)	18,323,395	152,538	18,475,933
Total comprehensive income for the year						
Profit or loss	-	-	(3,554,537)	(3,554,537)	14,031	(3,540,506)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries	-	(12,791)	-	(12,791)	(2,131)	(14,922)
Total other comprehensive income	-	(12,791)	-	(12,791)	(2,131)	(14,922)
Total comprehensive income for the year	-	(12,791)	(3,554,537)	(3,567,328)	11,900	(3,555,428)
At 31 March 2009	27,515,294	(1,130,551)	(11,628,676)	14,756,067	164,438	14,920,505

The accompanying notes form an integral part of these financial statements.

	Note	Share capital	Translation reserve	Accumulated (losses)/profits	Total attributable to equity holders of the Company	Minority interest	Total equity
		\$	\$	\$	\$	\$	\$
At 1 April 2009		27,515,294	(1,154,108)	(11,773,281)	14,587,905	166,569	14,754,474
Effect of change in accounting policy		-	23,557	144,605	168,162	(2,131)	166,031
At 1 April 2009, restated		27,515,294	(1,130,551)	(11,628,676)	14,756,067	164,438	14,920,505
Total comprehensive income for the year							
Profit or loss		-	-	3,273,124	3,273,124	76,717	3,349,841
Other comprehensive income							
Translation differences relating to financial statements of foreign subsidiaries		-	(494,363)	-	(494,363)	1,551	(492,812)
Total other comprehensive income		-	(494,363)	-	(494,363)	1,551	(492,812)
Total comprehensive income for the year		-	(494,363)	3,273,124	2,778,761	78,268	2,857,029
Share capital reduction, representing total transactions with owners	13	(19,666,226)	-	19,666,226	-	-	-
At 31 March 2010		7,849,068	(1,624,914)	11,310,674	17,534,828	242,706	17,777,534

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2010

	Note	2010	2009
		\$	\$
Operating activities			
Profit/(Loss) for the year		3,349,841	(3,540,506)
Net change in fair value of quoted equity securities, held for trading	22	(22,432)	100,890
Allowance of inventory obsolescence	22	20,753	115,003
Write down of inventories	22	5,877	17,202
Amortisation of lease prepayment	5	6,735	7,307
Amortisation of intangible assets	6	36,215	28,982
Impairment of goodwill on consolidation	6	-	4,301,610
Depreciation of property, plant and equipment	4	341,313	373,746
Loss/(Gain) on disposal of property, plant and equipment	22	12,686	(21,371)
Profit on disposal of subsidiary	22	(155,860)	-
Interest income	22	(66,462)	(26,215)
Interest expense	20	161,073	152,090
Income tax expense	21	513,894	181,678
		4,203,633	1,690,416
Changes in working capital:			
Inventories		1,516,799	(1,624,908)
Trade and other receivables		2,018,187	(4,308,805)
Trade and other payables		(3,141,244)	3,766,156
Cash generated from/(used in) operations		4,597,375	(477,141)
Interest received		66,462	26,215
Interest paid		(110,187)	(96,997)

	Note	2010 \$	2009 \$
Income taxes paid		(106,191)	(156,001)
Cash flows generated from/(used in) operating activities		4,447,459	(703,924)
Investing activities			
Purchase of property, plant and equipment	4	(4,167,456)	(136,966)
Purchase of intangible assets	6	(104,716)	-
Proceeds from disposal of property, plant and equipment		21,364	21,373
Proceeds from disposal of former subsidiary, net of cash in former subsidiary	24	1,755,365	-
Cash flows used in investing activities		(2,495,443)	(115,593)
Financing activities			
Proceeds from bank borrowings		2,644,829	836,768
Fixed deposits with banks pledged as security		(181,565)	41,310
Repayment of bank borrowings		(72,367)	(338,253)
Repayment of finance lease liabilities		(42,462)	(9,894)
Interest paid		(50,886)	(55,093)
Cash flows generated from financing activities		2,297,549	474,838
Net increase/(decrease) in cash and cash equivalents		4,249,565	(344,679)
Cash and cash equivalents at beginning of the year		529,168	876,657
Effect of exchange rate changes on balances held in foreign currencies		(169,278)	(2,810)
Cash and cash equivalents at end of the year	12	4,609,455	529,168

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 June 2010.

1 DOMICILE AND ACTIVITIES

Sunlight Group Hldg Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office and principal place of business at 1 Third Chin Bee Road Singapore 618679.

The principal activities of the Company are those relating to an investment holding company and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are those relating to the fabrication and manufacturing of low voltage switchgear and provision of mechanical and electrical engineering services, the provision of consultancy services relating to integrated communication, electronic commerce and information technology, and trading of decorative lighting, furniture and other interior related products.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

2.3 **Functional currency**

The financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 **Use of estimates and judgments**

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 11 - Allowance for impairment of receivables.

2.5 **Changes in accounting policies**

Starting as of 1 April 2009 on adoption of new/revised FRSs, the Group has changed its accounting policies in the following areas:

(i) Determination and presentation of operating segments

As of 1 April 2009, the Group determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 108 *Operating Segments*. Previously operating segments were determined and presented in accordance with FRS 14 *Segment Reporting*. The new accounting policy in respect of operating segment disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

(ii) *Presentation of financial statements*

The Group applies revised FRS 1 *Presentation of Financial Statements* (2008), which became effective for the financial year beginning 1 April 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidation statement of comprehensive income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(iii) *Financial instruments: Improving disclosures about financial instruments*

The Group applies amendments to FRS 107 *Financial Instruments: Disclosures*, which became effective for the financial year beginning 1 April 2009. The amendments require disclosures of financial instruments measured at fair value to be based on a "three-level" fair value hierarchy that reflects the significance of the input in such fair value measurements. The amendments also require additional qualitative and quantitative disclosures of liquidity risks. The additional disclosures required are shown in note 26. In accordance with the transitional rules under the standard, comparative information is not required. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(iv) Subsequent measurement of leasehold buildings

With effect from 1 April 2009, the Group has adopted the cost model of accounting for subsequent measurement of leasehold buildings as management consider that the intention of the leasehold buildings held by the Group are for its own use in the long term and therefore, the cost model is more relevant. In prior years, the Group adopted the revaluation model of accounting for subsequent measurement of leasehold buildings.

The change in the method of subsequent measurement of leasehold buildings is applied retrospectively. The effects on the Group's financial statements is summarised in note 31.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken

into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Company

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities

of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented as translation reserve in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised costs using effective interest method, less any impairment losses.

Loan and receivables comprise trade and other receivables, cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: finance lease liabilities, amounts due to financial institutions and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Intra-group financial guarantees

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gain and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is recognised in profit and loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Freehold and leasehold building	16 to 47 years
Plant and machinery	5 to 10 years
Renovation, furniture and fittings	5 to 8 years
Office equipment	1 to 10 years
Motor vehicles	5 to 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, and adjusted if appropriate.

3.5 Lease prepayment

Lease prepayment for land use rights is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the period of 47 years commencing from the date of licence approval.

3.6 Intangible assets

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets.

Goodwill is measured at cost less accumulated impairment losses and tested for impairment. Negative goodwill is recognised immediately in profit or loss.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets are amortised in profit or loss on a straight-line basis over the estimated useful life of five years from the date the asset is available for use.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Leased assets

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and leased assets are not recognised in the Group's balance sheet. Payments made under operating lease are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.12 Revenue recognition

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Transfers of risks and rewards usually occur when the goods are delivered and installed at the customer's premises and the costs of the transaction can be measured reliably.

Services rendered

Revenue from the provision of consultancy services is recognised when services are rendered.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted equity securities is the ex-dividend date. Dividends from the subsidiaries are recognised when the shareholder's rights to receive payment are established.

Rental income

Rental income from subleased property is recognised as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.13 Government grants – Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

3.14 Finance expense

Finance expenses comprise interest expense on borrowings and are recognised in profit or loss using the effective interest method.

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivables on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

3.17 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares and share options granted to employees.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.19 New accounting standards and interpretations not yet adopted

New standards, amendments and interpretations that are not yet effective for the year ended 31 March 2010 have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Company.

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold building	Freehold land	Freehold building	Plant and machinery	Renovation, furniture and fittings	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
Cost								
At 1 April 2007	1,039,875	444,692	933,852	2,008,313	444,113	1,169,925	304,174	6,344,944
Additions	-	-	-	17,857	166,042	77,804	-	261,703
Disposals/Write off	-	-	-	-	(23,471)	-	-	(23,471)
Assets acquired in business combinations	-	-	-	10,337	-	-	-	10,337
Translation difference on consolidation	(99,213)	-	-	(99,713)	(268)	(13,129)	(7,719)	(220,042)
At 31 March 2008 (restated)	940,662	444,692	933,852	1,936,794	586,416	1,234,600	296,455	6,373,471
Additions	-	-	-	199,809	17,914	102,923	-	320,646
Disposals/Write off	-	-	-	(30,000)	-	-	(31,493)	(61,493)
Transfer to disposal group (Note 24)	-	-	-	(21,374)	-	(6,877)	-	(28,251)
Translation difference on consolidation	(3,210)	-	-	(3,398)	(514)	(2,188)	(1,182)	(10,492)
At 31 March 2009 (restated)	937,452	444,692	933,852	2,081,831	603,816	1,328,458	263,780	6,593,881
Additions	3,640,797	-	26,604	57,258	323,034	58,940	60,823	4,167,456
Disposals/Write off	-	-	-	-	(241,570)	(140,660)	(26,646)	(408,876)
Translation difference on consolidation	(133,539)	-	-	(134,080)	498	(14,162)	(4,952)	(286,235)
At 31 March 2010	4,444,710	444,692	960,456	2,005,009	685,778	1,232,576	293,005	10,066,226

	Leasehold building	Freehold land	Freehold building	Plant and machinery	Renovation, furniture and fittings	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Group								
Accumulated depreciation and impairment losses								
At 1 April 2007	185,147	-	31,128	1,480,953	344,609	1,058,667	231,584	3,332,088
Depreciation for the year	24,811	-	31,128	161,461	53,034	96,486	17,570	384,490
Disposals/Write off	-	-	-	-	(10,294)	-	-	(10,294)
Translation difference on consolidation	(18,815)	-	-	(87,313)	(44)	(10,449)	(3,354)	(119,975)
At 31 March 2008 (restated)	191,143	-	62,256	1,555,101	387,305	1,144,704	245,800	3,586,309
Depreciation for the year	23,588	-	31,128	148,004	41,747	109,180	15,522	369,169
Disposals/Write off	-	-	-	(29,998)	-	-	(31,493)	(61,491)
Transfer to disposal group (Note 24)	-	-	-	(10,524)	-	(3,247)	-	(13,771)
Translation difference on consolidation	(729)	-	-	(3,254)	(143)	(2,112)	(538)	(6,776)
At 31 March 2009 (restated)	214,002	-	93,384	1,659,329	428,909	1,248,525	229,291	3,873,440
Depreciation for the year	96,286	-	32,015	91,771	44,878	54,393	12,586	331,929
Disposals/Write off	-	-	-	-	(232,977)	(126,750)	(15,099)	(374,826)
Translation difference on consolidation	(32,032)	-	-	(132,673)	139	(12,432)	(2,436)	(179,434)
At 31 March 2010	278,256	-	125,399	1,618,427	240,949	1,163,736	224,342	3,651,109
Carrying amount								
At 1 April 2007	854,728	444,692	902,724	527,360	99,504	111,258	72,590	3,012,856
At 31 March 2008 (restated)	749,519	444,692	871,596	381,693	199,111	89,896	50,655	2,787,162
At 31 March 2009 (restated)	723,450	444,692	840,468	422,502	174,907	79,933	34,489	2,720,441
At 31 March 2010	4,166,454	444,692	835,057	386,582	444,829	68,840	68,663	6,415,117

With effect from 1 April 2009, the Group has adopted the cost model of accounting for subsequent measurement of leasehold buildings as management consider that the intention of the leasehold buildings held by the Group are for its own use in the long term and therefore, the cost model is more relevant. In prior years, the Group adopted the revaluation model of accounting for subsequent measurement of leasehold buildings.

With the change in accounting policy, the leasehold building as at 31 March 2009 was debited with \$418,923 and the lease prepayment, retained earnings and translation reserve were credited with \$252,892, \$144,605 and \$21,426 respectively.

The depreciation charge for the year as shown in profit or loss is arrived at as follows:

	Group	
	2010	2009
	\$	\$
		Restated
Charge for the year	331,929	369,169
Included in work-in-progress	(1,364)	(9,975)
Previously included in work-in-progress and finished goods now charged to profit or loss	9,194	14,552
Discontinued operations – MTSA	1,554	-
Depreciation charge recognised in profit or loss (note 22)	341,313	373,746

At 31 March 2010, the carrying amount of property, plant and equipment of the Group under finance lease arrangements amounted to \$382,549 (2009: \$430,368).

The carrying amount of property, plant and equipment pledged as security to secure bank loans as disclosed in note 16 are as follows:

	Group		
	2010	2009	2008
	\$	\$	\$
		Restated	Restated
Freehold land	444,692	444,692	444,692
Freehold and leasehold building	4,401,307	840,468	871,596
	4,845,999	1,285,160	1,316,288

5 LEASE PREPAYMENT

Group	Land use rights \$
Cost	
At 1 April 2007	380,290
Translation difference on consolidation	(36,222)
At 31 March 2008 (restated)	344,068
Translation difference on consolidation	(1,235)
At 31 March 2009 (restated)	342,833
Translation difference on consolidation	(48,836)
At 31 March 2010	293,997
Accumulated amortisation	
At 1 April 2007	69,599
Amortisation charge for the year	7,686
Translation difference on consolidation	(6,994)
At 1 April 2008 (restated)	70,291
Amortisation charge for the year	7,307
Translation difference on consolidation	(265)

Group	Land use rights \$
Accumulated amortisation	
At 31 March 2009 (restated)	77,333
Amortisation charge for the year	6,735
Translation difference on consolidation	(11,496)
At 31 March 2010	72,572
Carrying amount	
At 1 April 2007	310,691
At 31 March 2008 (restated)	273,777
At 31 March 2009 (restated)	265,500
At 31 March 2010	221,425

Amortisation charge is recognised in the following accounts:

	Group	
	2010	2009
	\$	\$
		Restated
Cost of sales	5,388	5,846
Administrative expenses	1,347	1,461
	6,735	7,307

6 INTANGIBLE ASSETS

	Goodwill on consolidation	Technical know-how	Total
Group	\$	\$	\$
Cost			
At 1 April 2008 and 31 March 2009	5,600,500	230,230	5,830,730
Additions	-	104,716	104,716
At 31 March 2010	5,600,500	334,946	5,935,446

Accumulated amortisation and impairment losses

At 1 April 2008	-	114,302	114,302
Amortisation charge for the year	-	28,982	28,982
Impairment charge	4,301,610	-	4,301,610
At 31 March 2009	4,301,610	143,284	4,444,894
Amortisation charge for the year	-	36,215	36,215
Impairment charge	1,298,890	-	1,298,890
At 31 March 2010	5,600,500	179,499	5,779,999

	Goodwill on consolidation	Technical know-how	Total
Group	\$	\$	\$
Carrying amount			
At 1 April 2008	5,600,500	115,928	5,716,428
At 31 March 2009	1,298,890	86,946	1,385,836
At 31 March 2010	-	155,447	155,447

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

The carrying amount of the Group's goodwill of \$1,298,890 as at 31 March 2009 was included in the computation of gain or loss on disposal of subsidiary upon the completion of the disposal of MTSA on 5 June 2009.

7 SUBSIDIARIES

	Company	
	2010	2009
	\$	\$
Investment in subsidiaries, at cost	10,378,498	22,094,385
Allowance for impairment in value	(5,715,010)	(15,730,897)
	4,663,488	6,363,488
Interest-free quasi-equity loans to subsidiaries, at cost	5,454,756	5,454,756
Allowance for impairment in value	(5,454,756)	(5,454,756)
	-	-
	4,663,488	6,363,488

A subsidiary, Sunlight Electrical (Vietnam) Co., Ltd, was established pursuant to Investment Licence number 011/GPKCN-VS issued by the Management Board of Vietnam-Singapore Industrial Park on 3 November 1997 with a legal capital of US\$2,230,000. The subsidiary has a licence to operate for 48 years.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity held by the Group	
		2010	2009
		%	%
# Sunlight Electrical Pte Ltd and its subsidiaries:	Singapore	100	100
* Sunlight Electrical (Vietnam) Co., Ltd.	Vietnam	100	100
* Sunlight Switchgear Sdn. Bhd.	Malaysia	100	100
# Sunlight Group Investments Pte Ltd**	Singapore	**	100
# Paprika Global Pte Ltd and its subsidiary:	Singapore	51	51
Paprika Marketing Services Sdn. Bhd.	Malaysia	51	51
# Media Technology Systems Asia Pte Ltd	Singapore	-	100
# P5 Pte Ltd	Singapore	100	-

Audited by KPMG LLP Singapore.

* Audited by member firm of KPMG International.

** Under voluntary de-registration from the Register of Accounting and Corporate Regulatory Authority.

8 LONG-TERM TRADE RECEIVABLES

Long-term trade receivables relate to retention sums withheld by main contractors and are only payable upon completion of the construction contract, which normally takes longer than a year to complete. The implicit discount on the long-term trade receivables is not material.

9 OTHER FINANCIAL ASSETS

	Group	
	2010	2009
	\$	\$
Non-current asset		
Structured deposits, at fair value	391,000	391,000
Current asset		
Quoted equity securities, held for trading	44,850	22,418

The structured deposits are placed with a financial institution to secure a banker's guarantee as disclosed in note 28.

10 INVENTORIES

	Group	
	2010	2009
	\$	\$
Raw materials (at net realisable value)	2,922,035	4,322,116
Work-in-progress	883,685	2,007,667
Finished goods	1,924,180	1,182,698
Goods in transit	68,839	62,074
	5,798,739	7,574,555

The cost of inventories recognised as cost of sales of the Group amounted to \$24,311,156 (2009: \$23,134,644).

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Trade receivables	12,295,517	14,719,961	-	-
Allowance for doubtful trade receivables	(349,121)	(298,037)	-	-
	11,946,396	14,421,924	-	-
Amounts due from subsidiaries				
Interest-free loans	-	-	2,814,290	1,713,581
Non-trade	-	-	845	845
	-	-	2,815,135	1,714,426
Other receivables	48,906	25,202	-	-
Deposits	221,795	98,246	-	-
Loans and receivables	12,217,097	14,545,372	2,815,135	1,714,426
Prepayments	280,453	176,413	13,294	5,283
	12,497,550	14,721,785	2,828,429	1,719,709

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Concentration of credit risk relating to loans and receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's loans and receivables.

The maximum exposure to credit risk for the Group's loans and receivables at the reporting date (by type of external customer) was:

	Group	
	2010	2009
	\$	\$
Construction	11,508,332	14,003,866
Multinational companies	211,913	260,259
Others	496,852	281,247
	12,217,097	14,545,372

The maximum exposure to credit risk for the Company's loans and receivables at the reporting date arises from receivables due from subsidiaries. Credit risk by geographical location was:

	Company	
	2010	2009
	\$	\$
Singapore	2,814,290	1,713,581
Vietnam	845	845
	2,815,135	1,714,426

Impairment losses

The ageing of loans and receivables at the reporting date was:

	2010		2009	
	Gross	Impairment losses	Gross	Impairment losses
	\$	\$	\$	\$
Group				
Not past due	6,021,931	-	9,040,244	-
Past due 0 to 30 days	2,223,049	-	2,839,029	-

	2010		2009	
	Gross	Impairment losses	Gross	Impairment losses
	\$	\$	\$	\$
Group				
Past due 31 to 90 days	2,029,835	-	1,028,890	-
More than 90 days	2,291,403	349,121	1,935,246	298,037
	12,566,218	349,121	14,843,409	298,037

	Gross	
	2010	2009
	\$	\$
Company		
More than 90 days	2,815,135	1,714,426

The change in impairment loss in respect of loans and receivables during the year was as follows:

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
At 1 April	298,037	278,215	-	507,399
Allowance made	195,545	44,504	-	36,928
Allowance utilised	(144,461)	(24,474)	-	(544,327)
Translation difference on consolidation	-	(208)	-	-
At 31 March	349,121	298,037	-	-

Based on historical default rates, the Group and Company believe that, apart from the above, no impairment allowance is necessary in respect of loans and receivables not past due or past due up to 90 days. These receivables are mainly from customers that have a good payment record with the Group and Company.

12 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash at bank and in hand		3,070,572	887,071	17,655	6,045
Fixed deposits with banks		1,837,113	406,329	101,430	101,317
		4,907,685	1,293,400	119,085	107,362
Bank overdrafts	16	-	(734,337)	-	(238,322)
		4,907,685	559,063	119,085	(130,960)
Fixed deposits with banks pledged as security		(298,230)	(116,665)	(101,430)	(101,317)
Cash at bank and in hand included in assets held for sale	24	-	86,770	-	-
Cash and cash equivalents in the cash flow statement		4,609,455	529,168	(17,655)	(232,277)

The fixed deposits placed with banks of the Group and the Company relate to deposits of a subsidiary and the Company amounting to \$196,800 (2009: \$15,348) and \$101,430 (2009: \$101,317) respectively which are pledged to banks for banking facilities granted to the subsidiary and the Company.

The weighted average effective interest rate per annum relating to fixed deposits with banks at the balance sheet date for the Group and the Company are 7.44% (2009: 0.80%) and 0.10% (2009: 0.22%) respectively. Interest rates reprice at intervals of one to twelve months.

13 SHARE CAPITAL

	Group and Company	
	No. of shares	
	2010	2009
Fully paid ordinary shares, with no par value:		
At 1 April and at 31 March	260,935,000	260,935,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the financial year, the Company undertook a capital reduction exercise (the "Proposed Capital Reduction") pursuant to Section 78A read together with Section 78C of the Companies Act (Chapter 50), to reduce and cancel the share capital of the Company, which is unrepresented by available assets to the extent of approximately S\$19,666,226 ("Accumulated Losses") as at 31 March 2009.

The Proposed Capital Reduction was approved by the shareholders in a general meeting held on 30 July 2009. The Company's issued and paid-up share capital was reduced from the existing sum of approximately S\$27,515,294 to S\$7,849,068. In connection with the Proposed Capital Reduction, the amount of S\$19,666,226 arising therefrom was applied to reduce the Accumulated Losses to \$Nil (note 14).

Capital management

The Group defines capital as share capital, translation reserve and accumulated profits/(losses).

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity excluding minority interest.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes on the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

14 RESERVES

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Translation reserve	(1,624,914)	(1,130,551)	-	-
Accumulated profits/(losses)	11,310,674	(11,628,676)	(364,560)	(19,666,226)
	9,685,760	(12,759,227)	(364,560)	(19,666,226)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

Accumulated profits/(losses)

Movements in the Group's accumulated profits/(losses) are set out in the consolidated statement of changes in equity.

15 FINANCE LEASE LIABILITIES

	2010			2009		
	Payments	Interest	Principal	Payments	Interest	Principal
	\$	\$	\$	\$	\$	\$
Group						
Within one year	45,236	9,580	35,656	47,962	13,262	34,700
After one year but within five years	124,395	11,339	113,056	178,501	22,027	156,474
	169,631	20,919	148,712	226,463	35,289	191,174

Under the terms of the finance lease agreements, no contingent rents are payable. Interest is charged at the rate of 3.91% (2009: 3.91% to 4.80%) per annum.

16 AMOUNTS DUE TO FINANCIAL INSTITUTIONS

	Note	2010		2009	
		Due within one year	Due after one year	Due within one year	Due after one year
		\$	\$	\$	\$
Group					
Long-term loan (secured)	(i)	348,687	2,994,029	88,209	626,806
Long-term loan (unsecured)		12,216	43,732	-	-
Short-term borrowings (unsecured)	(ii)	1,303,613	-	1,414,800	-
Bank overdrafts (secured)	(iii)	-	-	111,024	-
Bank overdrafts (unsecured)	(iv)	-	-	623,313	-
		1,664,516	3,037,761	2,237,346	626,806
Company					
Bank overdraft (unsecured)	(v)	-	-	238,322	-

The amounts due to financial institutions comprise the following:

- (i) Long-term loan of the Group amounting to \$2,700,067 (2009: \$Nil) secured on a subsidiary's leasehold building with a carrying amount of \$3,566,250 (2009: \$Nil) and guaranteed up to \$2,760,000 by the Company. The long-term loan is repayable in monthly instalments over a period of 10 years commencing December 2009 and bears interest of 2.78% to 2.98% per annum. Interest rates reprice annually.

Long-term loan of the Group amounting to \$642,649 (2009: \$715,015) secured on a subsidiary's freehold land and building with a carrying amount of \$1,279,749 (2009: \$1,285,160) and guaranteed by the Company. The long-term loan is repayable in monthly instalments over a period of 10 years commencing December 2006 and bears interest of 5.55% to 6.10% (2009: 5.55% to 6.75%) per annum. Interest rates reprice annually.

- (ii) Unsecured short-term borrowings of the Group of \$1,303,613 (2009: \$896,933) from a bank which was guaranteed by the Company. The weighted average effective interest rate of the unsecured short-term borrowings is 5% (2009: 5.55%) per annum.
- (iii) Bank overdrafts of the Group of \$111,024 as at 31 March 2009 were secured on a subsidiary's freehold land and building, same as (i) above and guaranteed by the Company. Interest on bank overdraft was chargeable at 1.50% per annum above lenders' base lending rate.
- (iv) The unsecured bank overdrafts of the Group of \$623,313 as at 31 March 2009 were guaranteed up to \$1,740,000 by the Company. The weighted average effective interest rate of the bank overdrafts was 5.86% per annum. Interest rates reprice at intervals of one month.
- (v) The unsecured bank overdrafts of the Company were repayable upon demand. Interest on the overdraft is charged at prime plus 1.50% per annum, payable monthly.

Term and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	2010		2009	
			Face value	Carrying amount	Face value	Carrying amount
			\$	\$	\$	\$
Group						
Long-term loan	2.99% - 6.10%, BLR - 1.72%	2014 - 2019	3,398,664	3,398,664	715,015	715,015
Short-term borrowings	5% - SBFR# + 1.50%	2011	1,303,613	1,303,613	1,414,800	1,414,800
Bank overdrafts	prime - BLR* + 1.50%	2009	-	-	734,337	734,337
			4,702,277	4,702,277	2,864,152	2,864,152
Company						
Bank overdraft	prime + 1.50%	2009	-	-	238,322	238,322

SBFR: Standard Bills Finance Rate

* SBLR: Base Lending Rate

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	←----- Cash outflows -----→				
	Carrying amount	Contractual cash flows	Within one year	Within one to five years	More than five years
	\$	\$	\$	\$	\$
2010					
Non-derivative financial liabilities					
Variable interest rate loans	3,398,664	4,249,660	459,432	1,958,206	1,832,022
Variable interest rate borrowings	1,303,613	1,303,613	1,303,613	-	-
Trade and other payables	7,620,723	7,620,723	7,620,723	-	-
Finance lease liabilities	148,712	169,631	45,236	124,395	-
	12,471,712	13,434,627	9,429,004	2,082,601	1,832,022
2009					
Non-derivative financial liabilities					
Variable interest rate loans	715,015	1,105,881	126,386	505,546	473,949
Variable interest rate borrowings	1,414,800	1,414,800	1,414,800	-	-
Bank overdrafts	734,337	734,337	734,337	-	-
Trade and other payables	11,125,059	11,125,059	11,125,059	-	-
Finance lease liabilities	191,174	226,463	47,962	178,501	-
	14,180,385	14,606,540	13,448,544	684,047	473,949

	←----- Cash outflows ----->		
	Carrying amount	Contractual cash flows	Within one year
Company	\$	\$	\$
2010			
Non-derivative financial liabilities			
Trade and other payables	126,494	126,494	126,494
2009			
Non-derivative financial liabilities			
Bank overdrafts	238,322	238,322	238,322
Trade and other payables	103,169	103,169	103,169
	341,491	341,491	341,491

17 DEFERRED TAX

Movements in net deferred tax (liabilities)/assets during the year after appropriate set-off are as follows:

Group	At 1/4/2008	Recognised in profit or loss (note 21)	At 31/3/2009	Recognised in profit or loss (note 21)	At 31/3/2010
	\$	\$	\$	\$	\$
Deferred tax (liabilities)/assets					
Property, plant and equipment	(42,325)	(3,554)	(45,879)	28,722	(17,157)
Inventories	14,252	9,939	24,191	(8,344)	15,847
Others	9,070	(9,503)	(433)	19,857	19,424
	(19,003)	(3,118)	(22,121)	40,235	18,114

Deferred tax assets have not been recognised in respect of the following:

	Group	
	2010	2009
	\$	\$
Deductible temporary differences	-	114,315
Unabsorbed capital allowances	-	4,087
Unutilised tax losses	59,865	780,912
	59,865	899,314

Deferred tax assets for the Group have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. The capital allowances and tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Group operates. The capital allowances and tax losses do not expire under current tax legislation.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Trade payables and accruals	6,203,418	9,023,684	126,494	103,169
Deposits received	87,994	-	-	-
Other payables	299,563	679,315	-	-
Advances from customers	850,361	1,291,964	-	-
Accruals of employee benefits	179,387	130,096	-	-
	7,620,723	11,125,059	126,494	103,169

19 REVENUE

Revenue represents the net invoiced value of sales and services rendered. Transactions within the Group have been excluded in arriving at the revenue for the Group. The amount of each significant category of revenue recognised during the year was as follows:

	Continuing operations		Discontinued operations (see note 24)		Group	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Sales of low voltage switchgear and generator control panels	42,248,780	35,772,497	-	-	42,248,780	35,772,497
Consultancy services	2,328,757	2,982,445	-	-	2,328,757	2,982,445
Sale of interior products	229,459	-	-	-	229,459	-
Sales of audio visual electronic and IT products, systems and software	-	-	26,835	520,759	26,835	520,759
	44,806,996	38,754,942	26,835	520,759	44,833,831	39,275,701

20 FINANCE EXPENSE

	Group	
	2010	2009
	\$	\$
Interest paid and payable to		
- financial institutions	148,076	147,182
- finance lease creditors	12,997	4,908
	161,073	152,090

21 INCOME TAX EXPENSE

	Group	
	2010	2009
	\$	\$
<i>Current tax expense</i>		
Current year	529,178	115,200
Under provided in prior years	24,951	63,360
	554,129	178,560
<i>Deferred tax expense</i>		
Movements in temporary differences	(40,235)	3,339
Reduction in tax rate	-	(221)
	(40,235)	3,118
Total income tax expense	513,894	181,678

Reconciliation of effective tax

	Group	
	2010	2009
	\$	\$
Profit/(Loss) before income tax	3,941,594	(2,987,530)
Tax calculated using Singapore tax rate of 17%	670,071	(507,880)
Effect of reduction in tax rate	-	221
Effect of different tax rate in other countries	(2,950)	(11,691)
Income not subject to tax	(75,169)	(18,184)
Expenses not deductible for tax purposes	60,256	793,824

	Group	
	2010	2009
	\$	\$
Temporary differences not recognised	10,177	13,416
Utilisation of temporary differences previously not recognised	(142,706)	(172,397)
Under provided in prior years	24,951	63,360
Tax incentives	(38,075)	(7,241)
Others	7,339	28,250
	513,894	181,678

Pursuant to Circular No. 03/2009/TT-BTC (Circular 03) issued by the Ministry of Finance in Vietnam on 13 January 2009, a subsidiary of the Company's operations meet the definition of Small and Medium Enterprises (SME) and the subsidiary is therefore entitled to a 30 percent reduction in current income tax expense for the fourth quarter of the financial year ended 31 March 2009 and the whole financial year ended 31 March 2010. The amount of the income tax reduction for the fourth quarter of the financial year ended 31 March 2009 and the whole financial year ended 31 March 2010 has been computed based on one fourth of the taxable profit for the year in accordance with the guidance in Circular 03.

22 PROFIT/(LOSS) FOR THE YEAR

The following items have been included in arriving at profit/(loss) for the year:

	Note	Group	
		2010	2009
		\$	\$
Interest income (banks)		(66,462)	(26,215)
Net change in fair value of quoted equity securities, held for trading		(22,432)	100,890
Write down of inventories		5,877	17,202
Allowances of			
- inventory obsolescence		20,753	115,003
- doubtful trade receivables		195,545	44,504
Amortisation of lease prepayment	5	6,735	7,307
Amortisation of intangible assets	6	36,215	28,982
Impairment of goodwill on consolidation	6	-	4,301,610
Non-audit fees paid to			
- auditors of the Company		31,996	25,240
- other auditors		884	887
- non sponsor fees		19,000	-

	Group		
	Note	2010	2009
		\$	\$
Research and development costs		-	146,492
Loss/(Gain) on disposal of property, plant and equipment		12,686	(21,371)
Depreciation of property, plant and equipment	4	341,313	373,746
Profit on disposal of subsidiary		(155,860)	-
Exchange loss (net)		149,969	80,817
Operating lease expenses		1,059,418	929,875
Staff costs		8,699,252	7,881,736
Contributions to defined contribution plans included in staff costs		649,944	527,035
Government grants – Jobs Credit Scheme		(255,212)	(69,960)

23 EARNINGS/(LOSSES) PER SHARE

Basic earnings/(losses) per share

	Group	
	2010	2009
	\$	\$
Basic earnings/(losses) per share is based on:		
Net profit/(loss) attributable to ordinary shareholders	3,273,124	(3,554,537)
	No. of shares	
Weighted average number of ordinary shares at March	260,935,000	260,935,000

Diluted earnings/(losses) per share

There were no instruments that would have an effect of diluting the earnings of the Group that existed during or as at the end of the financial year.

Earnings per share for continuing and discontinued operations

For the year ended 31 March 2010, earnings/(losses) per share for continuing and discontinued operations have been calculated based on the profit/(loss) relating to continuing operations of \$3,350,983 (2009: (\$3,183,239)) and the profit/(loss) relating to discontinued operations of (\$77,859) (2009: \$371,298).

24 ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 26 February 2009, the Company entered into a Sale and Purchase Agreement for the sale of its entire 180,000,000 ordinary shares representing 100% of the issued and paid up capital of Media Technology Systems Asia Pte Ltd (MTSA) for a cash consideration of \$2,000,000.

The disposal is conditional upon, inter alia, the approval of the shareholders of the Company. At the extraordinary general meeting held on 15 May 2009, the shareholders approved the disposal of MTSA. The disposal was completed on 5 June 2009 and MTSA ceased to be a subsidiary of the Company.

The results of the discontinued operations are as follows:

	Group		
	Note	2010	2009
		\$	\$
Revenue	19	26,835	520,759
Expenses		(104,694)	(892,057)
Loss before income tax		(77,859)	(371,298)
Income tax expense		-	-
Loss after tax		(77,859)	(371,298)
Cash flows from discontinued operations			
Operating activities		157,358	(559,801)
Investing activities		507	(537)
Financing activities		-	47,946
		157,865	(512,392)

Effect of disposal on the financial position of the Group

	2010
	\$
Property, plant and equipment	12,418
Inventories	260,649
Trade and other receivables	315,203
Cash and cash equivalents	244,635
Trade and other payables	(287,655)
Net assets and liabilities	545,250
Consideration received, satisfied in cash	2,000,000
Cash and cash equivalents disposed of	(244,635)
Net cash inflow	1,755,365

The effects of the disposal on individual assets and liabilities classified as assets held for sale of the Group as at 31 March 2009 are as follows:

	Note	2009
		\$
Assets		
Property, plant and equipment		14,480
Inventories		274,803
Trade and other receivables		366,969
Cash and cash equivalents	12	86,770
		743,022
Liabilities		
Trade and other payables		(119,913)

25 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The Group comprises the following reportable segments:

- Low voltage switchgear : The manufacture and sale of electrical switchboards and generator control panels
- Consultancy services : The provision of consultancy services
- Interior products : The trading of decorative lighting, furniture and other related products
- Audio visual, IT : The manufacture and sale of audio visual electronic and IT products, systems and software

The audio visual, IT business segment was discontinued during the year ended 31 March 2010 and accounted for as discontinued operations and assets/(liabilities) classified as held for sale.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Operating segments

	Low voltage switchgear		Consultancy services		Interior products		Audio-visual, IT (discontinued)		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
External revenue	42,248,780	35,772,497	2,336,291	2,995,958	229,459	-	26,835	520,759	44,841,365	39,289,214
Depreciation and amortisation	(356,811)	(365,093)	(22,134)	(35,689)	(3,763)	-	(1,555)	(9,253)	(384,263)	(410,035)
Reportable segment profit before income tax	4,052,342	1,509,048	173,057	39,031	(59,865)	-	(77,859)	(371,298)	4,087,675	1,176,781
Other material non-cash items										
Allowance for inventory obsolescence	20,753	115,003	-	-	-	-	-	-	20,753	115,003
Allowance of doubtful trade receivables	195,545	44,504	-	-	-	-	-	-	195,545	44,504
Capital expenditure	4,115,871	297,723	16,703	22,386	34,882	-	-	537	4,167,456	320,646
Reportable segment assets	26,439,234	24,589,148	877,688	785,188	452,620	-	-	743,022	27,769,542	26,117,358
Reportable segment liabilities	6,978,221	10,589,817	368,803	427,833	147,209	-	-	119,913	7,494,233	11,137,563

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2010	2009
	\$	\$
Revenue		
Total revenue for reportable segments	44,841,365	39,289,214
Elimination of inter-segment revenue	(7,534)	(13,513)
Elimination of discounted operations	(26,835)	(520,759)
Consolidated revenue	44,806,996	38,754,942
Profit or loss before income tax		
Total profit or loss for reportable segments	4,087,675	1,176,781
Elimination of inter-segment profits	155,859	486,878
Elimination of discontinued operations	77,859	371,298
Unallocated amounts:		
- Other corporate expenses	(379,799)	(5,022,487)
Consolidated profit before income tax	3,941,594	(2,987,530)
Assets		
Total assets for reportable segments	27,769,542	26,117,358
Other unallocated amounts	2,947,516	3,145,440
Consolidated total assets	30,717,058	29,262,798
Liabilities		
Total liabilities for reportable segments	7,494,233	11,137,563
Other unallocated amounts	5,445,291	3,204,730
Consolidated total liabilities	12,939,524	14,342,293

Other material items

	Reportable segment totals	Adjustments	Consolidated totals
	\$	\$	\$
2010			
Capital expenditure	4,167,456	-	4,167,456
Depreciation and amortisation	384,263	-	384,263
2009			
Capital expenditure	320,646	-	320,646
Depreciation and amortisation	410,035	-	410,035

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of business operations. Segment non-current assets are based on the geographical location of the assets.

Geographical information

	2010		2009	
	External revenues	Non-current assets	External revenues	Non-current assets
	\$	\$	\$	\$
Singapore	39,032,884	24,321,993	31,809,369	22,006,897
Vietnam	5,363,318	4,451,976	6,559,491	5,935,424
Malaysia	437,629	1,943,089	906,841	2,063,499
Audio-visual, IT (discontinued)	(26,835)	-	(520,759)	(743,022)
Total	44,806,996	30,717,058	38,754,942	29,262,798

26 FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Audit Committee oversees how management monitors the compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's customers operate primarily in the construction industry.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities. The Group does not require collateral in respect of financial assets.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At balance sheet date, the Group's credit risk is mainly from trade receivables from five (2009: five) customers which account 51% (2009: 37%) of trade receivables, but no significant credit risk is expected to arise. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Group or the Company encounters difficulty in meeting financial obligations due to shortage of funds. The Group and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Short-term funding is obtained from bank borrowings. The Group and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use any derivative financial instruments to hedge its interest rate risk.

Sensitivity analysis

For variable rate financial assets and liabilities, a change of 100 bp in interest rate at the reporting date would increase/(decrease) the Group and Company's profit before income tax by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates, remain constant.

	Increase/(Decrease)			
	2010		2009	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$	\$	\$	\$
Group				
Variable rate instruments	(28,652)	28,652	(24,578)	24,578
Company				
Variable rate instruments	1,014	(1,014)	(1,370)	1,370

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Malaysian Ringgit, US dollar, Australian dollar and Euro.

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an on-going basis and the Group endeavours to keep the net exposures at an acceptable level.

The Group's exposure to foreign currencies are as follows:

	Group			
	Malaysian Ringgit	US dollar	Australian dollar	Euro
	\$	\$	\$	\$
2010				
Trade and other receivables	-	541,109	-	21,591
Cash and cash equivalents	87,762	128,414	-	25,353
Financial liabilities	(642,648)	-	-	-
Trade and other payables	(248,765)	(138,045)	(54,009)	(2,903)
	(803,651)	531,478	(54,009)	(44,041)
2009				
Trade and other receivables	-	543,671	-	14,056
Cash and cash equivalents	(55,305)	330,440	-	4,797
Financial liabilities	(715,015)	-	-	-
Trade and other payables	(332,123)	(876,060)	(43,545)	(34,716)
	(1,102,443)	(1,949)	(43,545)	(15,863)

Sensitivity analysis

A 5% strengthening of Singapore dollar against the following currencies at the reporting date would increase/(decrease) the Group's profit before income tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	
	Increase/(Decrease)	
	2010	2009
	\$	\$
Malaysian Ringgit	40,183	55,122
US dollar	(26,574)	97
Australian dollar	2,700	2,177
Euro	2,202	793

A 5% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables, in particular interest rates, remain constant.

As all the Company's transactions are denominated in Singapore dollar, the Company is not exposed to foreign currency risk.

Sensitivity analysis-equity price risk

The Group's equity instruments are quoted. A 10% increase in the underlying equity prices at the reporting date would increase the Group's profit before income tax by the amounts shown below, on the basis that all other variables remain constant.

	Group	
	2010	2009
	\$	\$
Profit before income tax	4,485	2,242

A 10% decrease in the underlying equity price at the reporting date would have had the equal but opposite effects on the amounts shown above, on the basis that all other variables remain constant.

Fair value hierarchy

The table analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 3	Total
	\$	\$	\$
31 March 2010			
Quoted equity securities, held for trading	44,840	-	44,840
Other financial assets	-	391,000	391,000
	44,840	391,000	435,840
31 March 2009			
Quoted equity securities, held for trading	22,418	-	22,418
Other financial assets	-	391,000	391,000
	22,418	391,000	413,418

Other financial assets, which are classified as Level 3 assets, comprised a SGD principal guaranteed structured deposit linked to a basket of 16 to 18 component shares of Dow Jones Global Titans 50 Index. The valuation of the structured deposit is based on quotation provided by the bank if the transaction was to be unwound at balance sheet date. There have been no gains or losses recognised on the structured deposit during the year.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

Finance lease liabilities

The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values. Other financial assets and liabilities are discounted to determine their fair values.

The aggregate net fair values of financial assets and liabilities which are not carried at fair value in the balance sheet as at 31 March are represented in the following table:

Group	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Long-term trade receivables	267,131	265,596	144,841	139,436
Unrecognised loss		1,535		5,405

Discount rates used in determining fair value

The interest rates used to discount estimated cash flows, where applicable are based on the market interest rates provided by financial institutions at the reporting date and were as follows:

	2010	2009
	%	%
Long-term trade receivables	5.38	5.38

27 OPERATING LEASE COMMITMENTS

At 31 March, the Group has the following commitments for future minimum lease payments under non-cancellable operating leases:

	2010	2009
	\$	\$
Within one year	621,295	896,000
After one year but within five years	1,887,417	1,736,000
After five years	453,149	866,000
	2,961,861	3,498,000

The Group leases office equipment and premises for production, warehouse and office premises under operating leases.

A subsidiary leased one storey in respect of its former leasehold building through a sale and leaseback arrangement with effect from 27 March 2006. The lease is for a period of ten years expiring on 26 March 2016. The lease rentals are subject to an annual increase by the higher rate of 2.5% per annum or a rate equivalent to the Consumer Price Index Percentage Variation over the preceding year's rent, capped at 5.5% per annum.

28 CONTINGENT LIABILITIES

As at balance sheet date:

- (i) the Company has given unsecured guarantees of \$18,201,268 (2009: \$11,473,352) to banks in respect of banking facilities extended to certain wholly-owned subsidiaries of \$12,261,945 (2009: \$8,572,679). As at 31 March 2010, the facilities utilised was \$5,373,668 (2009: \$2,752,219); and
- (ii) the Group has outstanding unsecured bankers' guarantees of approximately \$100,000 (2009: \$213,800) and secured bankers' guarantees of \$627,340 (2009: \$430,540), issued in favour of third parties in the ordinary course of business and for the security deposit required under a lease agreement.

Objectives in managing risks and policies for mitigating risks

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluation of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries.

Terms and conditions of insurance contracts

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

Insurance risk

Concentration risks

The Company only issues guarantees to its subsidiaries.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that actual liability may vary considerably from the best estimates.

The intra-group financial guarantees granted by the Company to banks in respect of banking facilities do not have any expiry but are available at the sole discretion of the banks.

29 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and senior management team are considered as key management personnel of the Company.

Key management personnel compensation comprised:

	Group	
	2010	2009
	\$	\$
Short-term employee benefits paid/payable to		
- directors of the Company	993,275	816,606
- other key executives	750,162	534,123
	1,743,437	1,350,729

The Company's directors receiving remuneration from the Group:

	Number of directors	
	2010	2009
\$250,000 to \$499,999	1	1
Below \$250,000	6	6
	7	7

30 SUBSEQUENT EVENTS

Subsequent to the balance sheet date, a subsidiary of the Group undertook a capital reduction exercise to cancel the share capital and reduce the accumulated losses of the subsidiary as at 31 March 2009 by \$5,595,741.

31 COMPARATIVE INFORMATION

Comparatives in the financial statements have been changed from the previous year due to the changes in the Group's accounting policy relating to subsequent measurement of leasehold buildings, as described in note 2.5 and to be consistent with current year's presentation.

	2009	
	As previously stated	As restated
Group	\$	\$
Consolidated balance sheet		
Property, plant and equipment	2,301,518	2,720,441
Lease prepayment	518,392	265,500
Reserves attributable to equity holders of the parent	(12,927,389)	(12,759,227)
Minority interest	166,569	164,438
	Year ended 31 March 2009	
	As previously stated	As restated
Group	\$	\$
Consolidated income statement		
Cost of sales	(29,760,622)	(29,768,175)
Other income	515,807	282,530
Administrative expenses	(5,759,064)	(5,760,952)
Loss before income tax	(2,744,812)	(2,987,530)

STATISTICS OF SHAREHOLDINGS

as at 15 June 2010

No of Issued Shares : 260,935,000
Class of shares : Ordinary shares
Voting rights : On a show of hands : One vote for each member
: On a poll : 1 vote for each ordinary share

Shareholdings Held in Hands of Public

36.16% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	98	9.64	24,349	0.01
1,000 - 10,000	243	23.89	1,321,550	0.51
10,001 - 1,000,000	656	64.50	57,898,501	22.19
1,000,001 and above	20	1.97	201,690,600	77.29
	<u>1,017</u>	<u>100.00</u>	<u>260,935,000</u>	<u>100.00</u>

TOP 20 SHAREHOLDERS

S/No.	Name of Shareholder	No. of Shares	%
1	Lim Kwang Joo	59,125,000	22.66
2	Song Poo Hok	36,000,000	13.80
3	Citibank Nominees Singapore Pte Ltd	31,100,000	11.92
4	Lim Fong Yee Roland	26,250,000	10.06
5	Tan Boon Seng	11,000,000	4.22
6	Stott James Ian	5,000,000	1.92
7	Foo Moo Pao	4,043,000	1.55
8	OCBC Securities Private Ltd	3,644,100	1.40
9	Kim Eng Securities Pte. Ltd.	3,290,500	1.26
10	Phoon Han Meng Linus	3,209,000	1.23
11	Tan Kok Keng	3,019,000	1.16
12	Han Hwee Too @ Han Wee Choo	2,375,000	0.91
13	Teng Soon Chong	2,177,000	0.83
14	Aw Tiew Kin	2,116,000	0.81
15	Tan Jui Yak	2,015,000	0.77
16	United Overseas Bank Nominees Pte Ltd	1,841,000	0.70
17	Teo Kok Boon	1,650,000	0.63
18	Leong Whoi Pheng	1,527,000	0.58
19	Yee Ziming	1,200,000	0.46
20	Citibank Consumer Nominees Pte Ltd	1,109,000	0.42
		201,690,600	77.29

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Number of shares registered in the name of the substantial shareholder	Number of shares in which the substantial shareholder is deemed to have an interest	Total	Percentage (%)
Lim Kwang Joo	59,125,000	-	59,125,000	22.66
Song Poo Hok	36,000,000	-	36,000,000	13.80
Song Wei Ming	-	31,000,000 ⁽¹⁾	31,000,000 ⁽¹⁾	11.88
Lim Fong Yee Roland	26,250,000	-	26,250,000	10.06

Note: (1) Mr Song Wei Ming's deemed interest arises from the 31,000,000 shares held by Citibank Nominees Singapore Pte Ltd.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

SUNLIGHT GROUP HLDG LTD

(Incorporated in the Republic of Singapore under the Companies Act, Cap. 50)

Company Registration No. 199806046G

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at 1 Third Chin Bee Road, Singapore 618679 on 30 July 2010, Friday, at 11.00 a.m. to transact the following business: -

ORDINARY BUSINESS

- 1 To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 March 2010 and the Auditors' Report thereon. **[Resolution 1]**
- 2 To re-appoint Mr. Lim Kwang Joo as a Director of the Company to hold office until the next Annual General Meeting of the Company pursuant to Section 153(6) of the Companies Act, Cap. 50. **[Resolution 2]**
- 3 (a) To re-elect Mr. Tan Boon Seng who is retiring in accordance with Article 103 of the Company's Articles of Association, as Director of the Company. **[Resolution 3(a)]**
 (b) To re-elect Mr. Song Poo Hok who is retiring in accordance with Article 103 of the Company's Articles of Association, as Director of the Company. **[Resolution 3(b)]**
- 4 To approve the sum of S\$67,000 as Directors' fees for the year ended 31 March 2010. (2009 : S\$47,000) **[Resolution 4]**
- 5 To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. **[Resolution 5]**
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7 **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual – Section B: Rules of Catalist**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual – Section B: Rules of the Catalist, authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option (collectively “Instruments”) made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution),

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed one hundred (100) per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company, and provided further that where members of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro rata basis, then the number of shares and convertible securities to be issued under such circumstances shall not exceed fifty (50) per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) for the purpose of this Resolution, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities,
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the SGX-ST Listing Manual – Section B: Rules of the Catalist; and
 - (c) any subsequent consolidation or subdivision of shares; and
- (3) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (a)]

[Resolution 6]

8 Authority to issue shares other than on a pro-rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the Singapore Exchange Securities Trading Limited (“SGX-ST”)

That notwithstanding Rule 811 of the SGX-ST Listing Manual – Section B: Rules of Catalist, and subject to and pursuant to the Share Issue Mandate being obtained in Resolution 6 above, approval be and is hereby given to the Directors of the Company to allot and issue shares (including share to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro-rata basis at an issue price per share as the Directors of the Company may in their absolute discretion deem fit provided that such price shall not represent a discount of more than 20 per centum (20%) to the weighted average price per share determined in accordance with the requirements of the SGX-ST and unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or 31 December 2010 (or such other deadline as may be extended by the SGX-ST) whichever is earlier.

[See Explanatory Note (b)]

[Resolution 7]

By Order of the Board

Ong Bee Hoon

Company Secretary

Singapore

14 July 2010

Explanatory Note:

- (a) The Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (b) The Ordinary Resolution 7 in item 8 above is pursuant to measures implemented by the SGX-ST as stated in a press release entitled “SGX introduces further measures to facilitate fund raising” dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by SGX-ST at the end of the period. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non pro-rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed, subject to the conditions that (a) shareholders’ approval be obtained in a separate resolution (the “Resolution”) at a

general meeting to issue new shares on a non pro-rata basis at discount not exceeding 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro-rata basis is not conditional upon the Resolution.

Proxies:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
2. If a proxy is to be appointed, the instrument appointing a proxy must be deposited at the registered office of the Company at 1 Third Chin Bee Road, Singapore 618679, not less than 48 hours before the time appointed for the holding of the Annual General Meeting.
3. The proxy form must be signed by the appointer or his attorney duly authorised in writing.

PROXY FORM

SUNLIGHT GROUP HLDG LTD

(Incorporated in the Republic of Singapore
under the Companies Act, Cap 50)
Company Registration No. 199806046G

PROXY FORM – ANNUAL GENERAL MEETING

Important:

- For investors who have used their CPF monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent banks so that their Agent banks may register with the Company Secretary of the Company not less than 48 hours before the time appointed for holding the meeting.

I/We _____
of _____

being a member/members of SUNLIGHT GROUP HLDG LTD hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of SUNLIGHT GROUP HLDG LTD to be held at 1 Third Chin Bee Road, Singapore 618679 on 30 July 2010, Friday, at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
Ordinary Business:			
1.	Adoption of Reports and Accounts		
2.	Re-appointment of Mr Lim Kwang Joo		
3.	Re-election of Directors:		
	(a) Mr. Tan Boon Seng		
	(b) Mr. Song Poo Hok		
4.	Approval of Directors' fees		
5.	Re-appointment of Auditors		
Special Business:			
6.	Authority for Directors to issue shares pursuant to Section 161 of the Companies Act, Cap 50. and Rule 806 of the SGX-ST Listing Manual – Section B: Rules of Catalist		
7.	Authority to issue shares other than on a pro-rata basis at a discount not exceeding twenty (20) per cent		

Dated this _____ day of _____ 2010.

**Total Number
of Shares Held:**

Signature(s) of member(s) or Common Seal

Important: Please read notes overleaf

SUNLIGHT GROUP HLDG LTD PROXY FORM

Continuation Sheet 1

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company may appoint not more than two proxies to attend and vote instead of him.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 1 Third Chin Bee Road, Singapore 618679, not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.
5. The instrument appointing a proxy must be under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, under seal or under the hand of its attorney duly authorised.
6. A corporation which is a member may by a resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

