

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007
FOR
DYSAN MAGNETICS LIMITED



DYSAN MAGNETICS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Balance Sheet and Profit and Loss Account	4
Notes to the Financial Statements	5

DYSAN MAGNETICS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2007

DIRECTORS

A Yap
K C A Chan
K T M Mok
M H C Chai

SECRETARY:

Comat Registrars Ltd

REGISTERED OFFICE:

Dickens House
Guithavon Street
Witham
Essex
CM8 1BJ

REGISTERED NUMBER:

2456986 (England and Wales)

AUDITORS:

Baverstocks Chartered Accountants
Dickens House
Guithavon Street
Witham
Essex
CM8 1BJ

SOLICITORS.

Rosenblatt
9/13 St Andrew Street
LONDON
EC4A 3AE

DYSAN MAGENTICS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report with the financial statements of the company for the year ended 31 March 2007

CESSATION OF TRADING

The company ceased trading on 31 March 2005

DIRECTORS

The directors during the year under review were

A Yap

K C A Chan

K T M Mok

M H C Chai

H B Cheng

- appointed 30 4 2006

- resigned 30 4 2006

The directors holding office at 31 March 2007 did not hold any beneficial interest in the issued share capital of the company at 1 April 2006 (or date of appointment if later) or 31 March 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Baverstocks Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A Yap - Director

Date

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DYSAN MAGNETICS LIMITED**

We have audited the financial statements of Dysan Magnetics Limited for the year ended 31 March 2007 on pages four to six. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

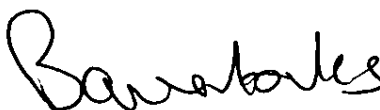
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Baverstocks Chartered Accountants
Dickens House
Guithavon Street
Witham
Essex
CM8 1BJ



Date 22 April 2008

DYSAN MAGENTICS LIMITED

BALANCE SHEET


31 MARCH 2007

	Notes	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors	3	<u>557</u>	<u>557</u>
NET ASSETS		<u>557</u>	<u>557</u>
CAPITAL AND RESERVES			
Called up Share Capital	4	-	-
Profit and loss account	5	<u>557</u>	<u>557</u>
SHAREHOLDERS' FUNDS	7	<u>557</u>	<u>557</u>

The financial statements were approved by the Board of Directors on its behalf by

21/4/07

and were signed on


A Yap - Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

During the financial year and the preceding financial year the company has not traded and has received no income and incurred no expenditure. Consequently, during those periods the company has made neither a profit nor a loss.

The notes form part of these financial statements

DYSAN MAGNETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

The company was dormant throughout the current year and previous year

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

2 STAFF COSTS

There were no staff costs for the year ended 31 March 2007 nor for the year ended 31 March 2006

The average monthly number of employees during the year was as follows

2007	2006
<u>-</u>	<u>-</u>

3 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts owed by participating interests	<u>557</u>	<u>557</u>

4 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
5,000,000	Ordinary	£1	<u>5,000,000</u>	<u>5,000,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

5 RESERVES

	Profit and loss account £'000
At 1 April 2006	557
Profit for the year	<u>-</u>
At 31 March 2007	<u>557</u>

DYSAN MAGNETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007

6 ULTIMATE PARENT COMPANY

The immediate parent company is Dysan Products Europe Ltd

The ultimate parent company and controlling party is Hanny Holdings Limited, a company incorporated in Bermuda, and the only company for which consolidated group financial statements are prepared. Copies of the group financial statements are available from

31/F Bank of America Tower
12 Harcourt Road
Central
Hong Kong

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£'000	£'000
Profit for the financial year	-	-
Opening shareholders' funds	<u>557</u>	<u>557</u>
Closing shareholders' funds	<u>557</u>	<u>557</u>