

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2008

COMPANY REGISTRATION NUMBER 5204647



COHEN ARNOLD
Chartered Accountants & Registered Auditors
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director

Mr CM Lo

Company secretary

Lighthouse Pixelite International Limited

Registered office

White Lion Court
Swan Street
Isleworth
Middlesex
TW7 6RN

Auditor

Cohen Arnold
Chartered Accountants
& Registered Auditors
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2008

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the promotion and sale of light emitting diode equipment.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £64,553. The director has not recommended a dividend.

DIRECTOR

The director who served the company during the year was as follows:

Mr CM Lo

No director has a service contract with the company nor does he receive any emoluments from the company.

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

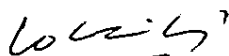
In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Cohen Arnold will therefore continue in office.

Signed by order of the director



LIGHTHOUSE PIXELITE INTERNATIONAL LIMITED
Company Secretary

Approved by the director on 21 OCT 2009

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Lighthouse Technologies (U.K.) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director's 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 in the Statement of Director's Responsibilities.

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 Director's Report 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 director's remuneration and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2008


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 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

21-10-2009


COHEN ARNOLD
Chartered Accountants
& Registered Auditors

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

| | Note | 2008 £ | 2007 £ |
|--|----------|----------------------|-----------------------|
| TURNOVER | 2 | 901,611 | 2,096,852 |
| Cost of Sales | | <u>366,388</u> | <u>1,551,132</u> |
| GROSS PROFIT | | 535,223 | 545,720 |
| Administrative Expenses | | 462,392 | 411,288 |
| Other Operating Income | | <u>(11,881)</u> | <u>—</u> |
| OPERATING PROFIT | 3 | 84,712 | 134,432 |
| Interest Receivable | | <u>3,916</u> | <u>7,255</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 88,628 | 141,687 |
| Tax on Profit on Ordinary Activities | 5 | 24,075 | 41,275 |
| PROFIT FOR THE FINANCIAL YEAR | | <u>64,553</u> | <u>100,412</u> |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 13 form part of these financial statements.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

BALANCE SHEET

31 DECEMBER 2008

| | Note | 2008 £ | £ | 2007 £ | £ |
|---|------|------------------|----------------|--------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 6 | | 9,018 | | 10,002 |
| CURRENT ASSETS | | | | | |
| Stocks | 7 | — | | 150,119 | |
| Debtors | 8 | 297,035 | | 802,289 | |
| Cash at Bank and in Hand | | 42,362 | | 587,336 | |
| | | <u>339,397</u> | | <u>1,539,744</u> | |
| CREDITORS: Amounts falling due within one year | 9 | <u>(146,433)</u> | | <u>(1,412,317)</u> | |
| NET CURRENT ASSETS | | | <u>192,964</u> | | <u>127,427</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>201,982</u> | | <u>137,429</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-Up Equity Share Capital | 12 | | 1 | | 1 |
| Profit and Loss Account | 13 | | <u>201,981</u> | | <u>137,428</u> |
| SHAREHOLDERS' FUNDS | 14 | | <u>201,982</u> | | <u>137,429</u> |

These financial statements were approved and signed by the director and authorised for issue on 21 OCT 2009

CM LO

MR CM LO
Director

The notes on pages 8 to 13 form part of these financial statements.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 20% Straight Line Basis

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Format of the Financial Statements

The financial statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the director considers to be appropriate having regard to the nature of the company's activities.

2. TURNOVER

Analysis by geographical market:

| | 2008 | 2007 |
|----------------|----------------|------------------|
| | £ | £ |
| Far East | 497,071 | 442,134 |
| United Kingdom | 404,540 | 1,654,718 |
| Total turnover | <u>901,611</u> | <u>2,096,852</u> |

3. OPERATING PROFIT

Operating profit is stated after charging:

| | 2008 | 2007 |
|--|------------|-----------|
| | £ | £ |
| Depreciation of owned fixed assets | 2,493 | 1,826 |
| Auditor's remuneration | | |
| - as auditor | 10,200 | 6,315 |
| Net loss on foreign currency translation | <u>280</u> | <u>42</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2008 | 2007 |
|--------------------------------|-----------------|-----------------|
| | No | No |
| Number of administrative staff | 2 | 1 |
| Number of technical staff | 3 | 3 |
| Number of marketing staff | 2 | 2 |
| | <u>7</u> | <u>6</u> |

The aggregate payroll costs of the above were:

| | 2008 | 2007 |
|-----------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 225,821 | 186,695 |
| Social security costs | 23,039 | 22,139 |
| Other pension costs | 10,612 | 9,665 |
| | <u>259,472</u> | <u>218,499</u> |

The director of the company received no remuneration during the year nor in the preceding year.

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2008 | 2007 |
|--|----------------------|----------------------|
| | £ | £ |
| Current tax: | | |
| UK Corporation tax based on the results for the year at 28.50% (2007 - 30%) | 24,075 | 41,275 |
| Total current tax | <u>24,075</u> | <u>41,275</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

5. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Profit on ordinary activities before taxation | <u>88,628</u> | <u>141,687</u> |
| Profit on ordinary activities by rate of tax | 25,259 | 42,506 |
| Expenses disallowed | 806 | 548 |
| Capital allowances | (500) | (1,093) |
| Marginal relief | <u>(1,490)</u> | <u>(686)</u> |
| Total current tax (note 5(a)) | <u>24,075</u> | <u>41,275</u> |

6. TANGIBLE FIXED ASSETS

| | Equipment £ |
|----------------------------|----------------|
| COST | |
| At 1 January 2008 | 12,690 |
| Additions | <u>1,509</u> |
| At 31 December 2008 | <u>14,199</u> |
| DEPRECIATION | |
| At 1 January 2008 | 2,688 |
| Charge for the year | <u>2,493</u> |
| At 31 December 2008 | <u>5,181</u> |
| NET BOOK VALUE | |
| At 31 December 2008 | <u>9,018</u> |
| At 31 December 2007 | <u>10,002</u> |

7. STOCKS

| | 2008 £ | 2007 £ |
|------------------|-----------|----------------|
| Work in progress | <u>—</u> | <u>150,119</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

8. DEBTORS

| | 2008 £ | 2007 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 31,620 | 544,016 |
| Amounts owed by group undertakings | 249,210 | 244,445 |
| Other debtors | 16,205 | 13,828 |
| | <u>297,035</u> | <u>802,289</u> |

9. CREDITORS: Amounts falling due within one year

| | 2008 £ | 2007 £ |
|---|----------------|------------------|
| Trade creditors | 53,056 | 1,314,453 |
| Other creditors including taxation and social security: | | |
| Corporation tax | 24,075 | 41,275 |
| PAYE and social security | 6,446 | 7,178 |
| VAT | 39,329 | 20,525 |
| Other creditors | 23,527 | 28,886 |
| | <u>146,433</u> | <u>1,412,317</u> |

10. PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge of £10,612 represents contributions payable by the company to the fund.

11. RELATED PARTY TRANSACTIONS

Turnover includes agency fees of £497,071 receivable from the ultimate parent undertaking, Lighthouse Technologies Limited.

12. SHARE CAPITAL

Authorised share capital:

| | 2008 £ | 2007 £ |
|----------------------------------|--------------|--------------|
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2008 No | £ | 2007 No | £ |
|----------------------------|------------|----------|------------|----------|
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

13. PROFIT AND LOSS ACCOUNT

| | 2008 | 2007 |
|-------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Balance brought forward | 137,428 | 37,016 |
| Profit for the financial year | 64,553 | 100,412 |
| Balance carried forward | <u>201,981</u> | <u>137,428</u> |

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2008 | 2007 |
|-------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Profit for the financial year | 64,553 | 100,412 |
| Opening shareholders' funds | 137,429 | 37,017 |
| Closing shareholders' funds | <u>201,982</u> | <u>137,429</u> |

15. PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Lighthouse Technologies Limited, a company incorporated in Hong Kong.