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HOLLY SPRINGS INVESTMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2007

BUSINESS & REGISTRIES
BRANCH, AUCKLAND.
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**HOLLY SPRINGS INVESTMENTS LIMITED
COMPANY DIRECTORY**

Nature of Business: Investment company

Registered Office: C/o Chapman Tripp Sheffield Young
Level 35, ANZ Centre
23-29 Albert Street
Auckland

Postal Address P O Box 105 745
Auckland City Post Shop
New Zealand

Directors: G. James Bracknell Jnr (Resigned 8 September 2006)
Jock Irvine (Resigned 8 September 2006)
David F. Stubbs
Brett Allan Wilkinson (Appointed 8 September 2006)
Sam MacDonald (Appointed 29 May 2007)

Auditors: BDO Spicers
Auckland

Bankers: ASB Bank Limited
Auckland

Solicitors: Chapman Tripp Sheffield Young
Auckland

Share Registrar: Link Market Services
Ashburton

**HOLLY SPRINGS INVESTMENTS LIMITED
ANNUAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2007**

The Board of Directors present their Annual Report, including financial statements of the company for the year ended 31 March 2007.

The company was listed on the NZAX alternative market of New Zealand Exchange Limited on 9 June 2006. The directors envisaged that the company could be used as a vehicle for a cost effective reverse listing. During the year the directors reviewed a number of business opportunities from a number of sectors for such a transaction, but no transaction was concluded. The company is considering further business opportunities with a view to completing a transaction during the current year.

In the opinion of the Directors of Holly Springs Investments Limited, the financial statements and notes, on pages 4 to 12:

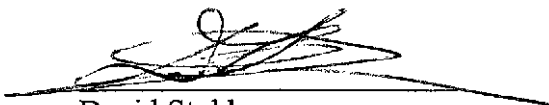
- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 31 March 2007 and the results of their operations and cash flows for the year ended on that date;
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

Statutory disclosures required under the Companies Act 1993 section 211 are disclosed on pages 13 and 14.

This annual report has been signed for and on behalf of the Board on 13 June 2007



David Stubbs
Director



Brett Wilkinson
Director

AUDIT REPORT
TO THE SHAREHOLDERS OF
HOLLY SPRINGS INVESTMENTS LIMITED

We have audited the financial report on pages 4 to 12. The financial report provides information about the past financial performance of the company and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies described in Note 1 to the financial report.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the company as at 31 March 2007 and of the results of operations and cash flows for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Board of Directors.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial report; and
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. 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 obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.

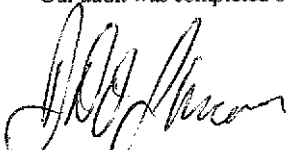
Unqualified Opinion

We have obtained all of the information and explanations we have required.

In our opinion:

- Proper accounting records have been kept by the company as far as appears from our examination of those records; and
- The financial report on pages 4 to 12:
 - complies with generally accepted accounting practice in New Zealand;
 - gives a true and fair view of the financial position of the company as at 31 March 2007 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 13 June 2007 and our unqualified opinion is expressed as at that date.



BDO SPICERS
AUCKLAND NZ

**HOLLY SPRINGS INVESTMENTS LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 \$	2006 \$
Revenue – interest received		8,016	-
		<hr/>	<hr/>
After charging / (crediting):			
Audit fees		5,000	-
Company fees		12,238	-
Listing costs		27,962	-
		<hr/>	<hr/>
Net deficit before income tax		(47,997)	-
		<hr/>	<hr/>
Income tax	3	-	-
		<hr/>	<hr/>
Net deficit after income tax		\$(47,997)	-
		<hr/> <hr/>	<hr/> <hr/>

These statements are to be read in conjunction with the Notes to the Financial Statements.

**HOLLY SPRINGS INVESTMENTS LIMITED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2007**

	2007	2006
	\$	\$
Net deficit for the year	(47,997)	-
	<hr/>	<hr/>
Contributions from owners	200,000	-
	<hr/>	<hr/>
Movements in equity for the year	152,003	-
Equity at beginning of year	-	-
	<hr/>	<hr/>
Equity at the end of year	\$152,003	-
	<hr/>	<hr/>

These statements are to be read in conjunction with the Notes to the Financial Statements.

HOLLY SPRINGS INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2007

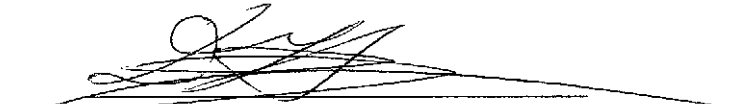
	Note	2007	2006
		\$	\$
Current Assets			
Cash at Bank		143,178	-
Prepayments and Other Debtors		4,376	-
GST Receivable		1,151	-
NZAX Bond		15,000	-
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		163,705	-
		<hr/>	<hr/>
TOTAL ASSETS		163,705	-
		<hr/>	<hr/>
Current Liabilities			
Creditors & Accruals		11,702	-
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		11,702	-
		<hr/>	<hr/>
TOTAL LIABILITIES		11,702	-
		<hr/>	<hr/>
NET ASSETS		\$152,003	-
		<hr/>	<hr/>

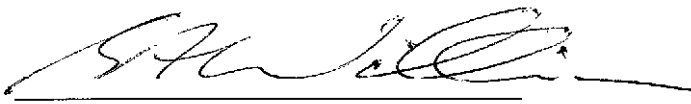
These statements are to be read in conjunction with the Notes to the Financial Statements

HOLLY SPRINGS INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION - CONT'D
AS AT 31 MARCH 2007

	Note	2007 \$	2006 \$
Equity			
Share Capital	5	200,000	-
Accumulated Losses		(47,997)	-
Total Equity		<u>\$152,003</u>	<u>-</u>

Signed for and on behalf of the Board on 13 June 2007


David Stubbs
Director


Brett Wilkinson
Director

These statements are to be read in conjunction with the Notes to the Financial Statements.

HOLLY SPRINGS INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007	2006
		\$	\$
Operating Activities			
Interest received		8,016	-
Payments to suppliers		(21,876)	-
		<hr/>	<hr/>
Net cash outflows from operating activities	8	(13,860)	-
Investing Activities			
Net cash flows from investing activities		-	-
Financing Activities			
Proceeds of shares issued		200,000	-
Listing costs		(27,962)	-
NZAX bond		(15,000)	-
		<hr/>	<hr/>
Net cash inflows from financing activities		157,038	-
Net increase in cash held		143,178	-
Cash at beginning of period		-	-
		<hr/>	<hr/>
Cash at end of period		143,178	-
Reconciliation of Cash			
Cash on hand and at Bank		8,296	-
Deposits at call		134,882	-
		<hr/>	<hr/>
		143,178	-

These statements are to be read in conjunction with the Notes to the Financial Statements.

**HOLLY SPRINGS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Financial Statements presented here are for Holly Springs Investments Limited as a separate entity. Holly Springs Investments Limited is a company domiciled in New Zealand and registered under the Companies Act 1993 and listed on the NZAX. Holly Springs Investments Limited is an issuer for the purpose of the Financial Reporting Act 1993 and its financial statements comply with that Act. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

Reporting Basis

The Financial Statements have been prepared in accordance with the Companies Act 1993 and Financial Reporting Act 1993.

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice.

Measurement Base

The measurement base adopted is that of historical cost.

The accounting policies that materially affect the measurement of financial performance and financial position are set out below:

Goods and Services Tax (GST)

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Taxation

Income tax expense is recognised on the operating surplus before taxation adjusted for permanent differences between taxable and accounting income. Deferred tax is calculated using the comprehensive basis under the liability method.

Statement of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows:

- (a) operating activities include all transactions ensuing from trading and other events that are not investing or financing activities
- (b) investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure.
- (d) Cash is considered to be cash on hand and current accounts in bank.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently during the year.

HOLLY SPRINGS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 MARCH 2007

2. NATURE OF BUSINESS

At the time of its listing on the NZAX, Holly Springs Investments Limited stated that it would identify a business for acquisition and undertake a capital raising through the issue of shares to enable the acquisition of the business. The directors of the Company envisaged that Holly Springs Investments Limited could be used as a vehicle for a cost effective reverse listing. During the year the directors reviewed a number of business opportunities from a number of sectors for such a transaction but no transaction was concluded.

3. TAXATION

Income Tax Expense

	2007	2006
	\$	\$
Operating deficit before tax	(47,997)	-
Permanent differences		
- non deductible expenditure	45,113	-
- losses not recognised	2,884	-
Taxable income	-	-
Income tax expense at 33%	-	-

The company has not recognised the benefit of tax losses as these will not be able to be utilised before shareholding changes.

4. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period.

5. PAID UP CAPITAL

Issued and Paid in Capital of 4,370,339 (2006: 1,795,910) ordinary shares. On 31 May 2006 the Company issued 480,000 shares for nil consideration. On 2 June 2007, the Company issued 3,040,818 shares for \$40,000 cash. On 7 June 2007 the Company issued 42,000 shares for nil consideration and 12,121,272 shares for \$160,000 cash. On 1 September 2006 the Company consolidated its 17,480,000 shares on the basis of 1 share for every 4 held (with fractional entitlements rounded up) into 4,370,339 shares.

All shares have equal rights and share equally in dividends and surplus on winding-up.

**HOLLY SPRINGS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 MARCH 2007**

6. FINANCIAL INSTRUMENTS

Interest Rate Risk: Interest rate risk is the risk that the value of Company's assets and liabilities will fluctuate due to changes in market interest rates. The Company is exposed to interest rate primarily through its cash and bank balances.

Fair Value: As at 31 March 2007, the carrying amounts and fair value of cash at bank, NZAX bond, prepayments and creditors and accruals were equivalent.

Credit Risk: At 31 March 2007, credit risk was concentrated with the Company's bankers the ASB Bank Limited and the NZX, who held the bond. The maximum exposure to credit risk is represented by the carrying value of the each financial asset in the statement of financial position.

Currency Risk: The Company is not exposed to foreign currency fluctuations as it does not deal in foreign currency.

7. SEGMENTAL INFORMATION

The Company operates in one industry segment in New Zealand.

8. RECONCILIATION OF NET (DEFICIT) WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	2007	2006
Operating (Deficit) after taxation	(47,997)	-
Add/less movement in working capital items		
(Increase) in Debtors	(5,527)	-
Increase in Accruals	11,702	-
Items classified as financing activities		
Listing Costs	27,962	-
	(13,860)	-
Net Cashflows used in operating activities	(13,860)	-

9. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

The company has commitments or contingencies (31 March 2006 – \$Nil).

HOLLY SPRINGS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 MARCH 2007

10. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2002 the New Zealand Accounting Standards Review Board announced that New Zealand International Financial Reporting Standards ("NZIFRS") will apply to all New Zealand reporting entities for the periods commencing on or after 1 January 2007. The Company has decided to adopt NZ IFRS from the reporting period beginning 1 April 2007.

Adoption of NZ IFRS requires the restatement of the previous year's Balance Sheet. It is anticipated the adoption of NZIFRS will not impact on the company's financial statements presented for 31 March 2006 and 2007.

HOLLY SPRINGS INVESTMENTS LIMITED
ADDITIONAL STATUTORY & LISTING RULE INFORMATION

Directors' Relevant Interests in Quoted Equity Securities as at 31 March 2007

David Stubbs	64,329
Brett Wilkinson	3,090,523
Sam MacDonald	Nil

Substantial security holders

As at 8 June 2007, the Company had the following substantial security holders according to the file kept under section 25 of the Securities Markets Act 1988:

Wilkinson and White Limited	3,090,523	70.72%
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As at 8 June 2007 the company had 4,370,339 voting securities on issue.

Spread of shareholdings as at 8 June 2007

<i>Size of Holding</i>	<i>No of holders</i>	<i>No of shares</i>	<i>%</i>
1 - 1000	1715	72,837	1.667
1001 - 5000	18	42,039	0.962
5001 - 10000	4	25,923	0.593
10001 - 50000	5	79,779	1.825
50001 - 100000	2	140,322	3.211
100001 and Over	6	4,009,439	91.742
Totals	1,750	4,370,339	100.000

20 Largest Shareholders as at 8 June 2007

	<i>Shares Held</i>	<i>%</i>
Wilkinson & White Limited	3,090,523	70.72
Charoong Thai Wire Cable Public Company Limited	215,916	4.94
Roy Richard Jackson	200,000	4.58
Mounterowen Limited	200,000	4.58
Troubadour Holdings Limited 2001	200,000	4.58
Ronald Macgregor Irvine + Rodney George Willis	103,000	2.36
Ming Asia Group Limited	75,993	1.74
David Frederick Stubbs + Jacobsen Associates Ltd + Barbara Shaw Stubbs	64,329	1.47
Tai Ho Investments Co Limited	25,000	0.57
Andi Suryawan	16,432	0.38
Tao Heng Sun	15,508	0.35
Sai Wah Simon Suen	12,500	0.29
Angeltide Limited	10,339	0.24
Jobrenco Limited	8,361	0.19
CTW Beta Company Limited	6,428	0.15
John Geoffrey Eric Benton & Elizabeth Caroline Swanston	5,567	0.13
Craig John Thompson	5,567	0.13
Forsyth Barr Custodians Limited	4,517	0.1
Rebecca Chao	4,136	0.09
Kathryn Esposito	3,627	0.08
Totals	4,267,743	97.67

Interests Register

During the year the following entries were made in the company's interests register:

General Disclosures of Interest

G James Bracknell (resigned 8 September 2006)

G James Bracknell disclosed that he should be regarded as interested in any transaction involving the following entities:

- Ming Asia Group Ltd (Director and Shareholder)
- Ming Asia Group (Thailand) Co Ltd (Director and Shareholder)*
- Holly Springs Investments Limited (Director and Shareholder)*
- Blue Chip Financial Solutions Limited (Shareholder)
- Blue Chip New Zealand Limited (Director)*
- Vistron Limited (Director and Shareholder)*
- Antinoch Investments Limited (Shareholder)
- BCF No 1 Limited (Director)*
- Bribanc Property Group (Director)*
- Plus SMS Holdings Limited (Director)*
- Plus SMS Limited (Director)*

*retired as a director during the year

Jock Irvine (resigned 8 September 2006)

Jock Irvine disclosed that he should be regarded as interested in any transaction involving the following entities:

- Holly Springs Investments Limited (Director and Shareholder)*
- Vistron Limited (Director and Shareholder)*
- Blue Chip Financial Solutions Limited (Director)
- Calan Healthcare Properties Ltd (Director)
- Plus SMS Holdings Limited (Director)*
- Sky City Auckland Community Trust (Chair)

*retired as a director during the year

David Stubbs

David Stubbs disclosed that he should be regarded as interested in any transaction involving the following entities:

- Holly Springs Investments Limited (Director and Shareholder)
- Vistron Limited (Director and Shareholder)
- NCL Finance Limited (Director and Shareholder)
- Watchdog Corporation Limited (Director and Shareholder)
- Watchdog International Limited (Director and Shareholder)
- Tranzact Limited (Director)
- Phone Users Group Limited (Director)
- Skytelecom Limited (Director)
- Pacific Funds Transfer Group Limited (Director)
- Invicta Financial Services Limited (Director)
- Shaw & Stubbs Family Trust (Trustee)
- Barradale Trust (Trustee)

Brett Wilkinson (appointed 8 September 2006)

Brett Wilkinson disclosed that he should be regarded as interested in any transaction involving the following entities:

- Wilkinson and White Limited (Director and Shareholder)
- Vistron Limited (Director and Shareholder)
- Holly Springs Limited (Director and Shareholder)

Directors' indemnity

On 31 May 2006 the Company granted an indemnity in favour of the directors to the maximum extent permitted by the Companies Act 1993.