T-BAY HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

1. The Company and Subsidiaries

T-Bay Holdings, Inc. (the "Company" or T-Bay) was incorporated under the laws of the Stat of Utah on August 9, 1984 as "Sharus Corporation" with authorized common stock of 50,000,000 shares with a par value of US$0.001. On June 13, 1989, the domicile of the Company was changed to the state of Nevada in connection with a name change to "Golden Quest, Inc.". On January 7, 2002, the name was changed to "T-Bay Holdings, Inc." as a part of a reverse stock split of 400 shares of outstanding stock for one share and on November 23, 2004, the Company increased the authorized common stock to 100,000,000 shares with a par value of US$0.001 as part of a reverse stock split of 20 outstanding shares for one share.

ON August 16, 2005, pursuant to an Agreement and Plan of Reorganization, -Bay issued 18,550,000 shares of its common stock for all of Amber Link International Limited's ("Amber Link") and Wise Target International Limited's ("Wise Target") outstanding shares of common stock (the "Merger"). Amber Link and Wise Target were two of the owners of Shangai Sunplus Communication Technology Co., Ltd. ("Sunplus"). Wise Target owned a 75% interest and Amber Link owned a 20% interest in Sunplus. After the Merger, T-Bay indirectly own 95% interest in Sunplus. In March 2009, Wise Target transferred all its holdings (75%) in Sunplus to Amber Link for US$2,885,000 (HK$22,500,000). As a result of this transaction, Amber Link directly owned 95% of Sunplus and this transaction had no impact on The Company's effective holdings of Sunplus, Shanghai Fanna Industrial Design, CO., Ltd. Owned by the remaining 5% interest in Sunplus. On November 25, 2009, the Company transferred all its holdings %100 in Amber Link to Wise Target for US$2,600. As a result of the transaction, the Company indirectly holds Amber Link and this transaction had no impact on the Company's effective holdings of Amber Link and Sunplus/

Wise Target was incorporated on April 24, 2002 under the International Business Companies Act in the British Virgin Islands.

Amber Link was incorporated on May 10, 2002 under the International Business Companies Act in the British Virgin Islands. During the year ended March 31, 2007, Amber Link commenced the sales of mobile phones and components. In September 2010, Amber Link suspended operations.

Sunplus was established on October 17, 2002 under the laws of the People's Republic of China ("PRC") as a Sino-foreign joint venture specialized in the development, production and sales of electronic telecommunication devices. Sunplus commenced operations May 1, 2003. In September 2010, Sunplus suspended operations. At March 31, 2012, Sunplus had 3 staff, which were administrative staff.

On February 12, 2007, Sunplus established a wholly-owned subsidiary, Zhangzhou JiaXun Communication Facility Co., Ltd. ("Zhangzhou JiaXun") under the laws of the PRC. Zhangzhou JiaXun is an investment holding company.

On March 19, 2007, Sunplus and Zhangzhou JiaXun acquired 80% and 20%, respectively, of Fujian Qiaoxing Industry Co., Ltd. ("Fujiian Qiaoxing").

On March 20, 2009, Sunplus disposed of its 80% interest in Fujiian Qiaoxing to Qiaoxing Telecommunication Industry Company Limited ("QiaoXing Telecom"), a third party, at a consideration of US12,230,000 (RMB84,000,000).

On April 9, 2009, Sunplus disposed of Zhangzhou JiaXun to QaioXing Telecom at a consideration of US$731,000 (RMB5,000,000).

After March 31, 2011 the corporation ceased operations and closed all operations and had no further operations or income. Global Public Strategies Ltd, entered into a convertible note agreement with the company for $309,000 and it can be converted at any time in the future.

2. Going Concern

These financial statements have been prepared on a gong concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company suspended operations in September 2010 with a view to minimize future losses. As of March 31, 2012, the Company continuing and discontinued operations had net liabilities of US$6,243,000 and incurred a net loss of US$42,949,000 for the year. This raises substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that may result from this uncertainty. The Company's ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities as and when they fall due. Management intends to look for new business opportunities and to finance operating costs over the next twelve months with existing cash on hand and advances from shareholders. The Company is currently in search for potential new business but no contracts or agreements have been signed or concluded. The Company is also in negotiation to complete the disposal of the mobile phone design operations, comprising Amber Link and Sunplus. The management continues to operate the administrative side of the business which is customer service, warranty claims and the collection of receivables. Shortly after March 3, 2011 all operations ceased.

3. Summary of Significant Accounting Policies

(a)Basis of Preparation

The consolidated balance sheets as of March 31, 2012 and 2011 included the financial statements of T-Bay and its subsidiaries (hereinafter, referred to collectively as the "Group") and are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). All significant inter-company balances and transactions have been eliminated on consolidation.

(b)Basis of Consolidation

The consolidated balance sheet as of March 31, 2012 and the consolidated statement of operations and comprehensive income for the year ended March 31, 2012.

Non-controlling interest represents minority shareholder's interest in the results and net assets of Sunplus.

As mentioned in Note 1., Amber Lin and Sunplus suspended operations in September 2010, therefore, the financial position and results of operations of Amber Link and Sunplus have been presented as discontinued operations for all periods shown in the accompanying consolidated financial statements (see note 9).

(c)Reclassifications

Certain reclassifications were made to conform prior years' financial statements to current presentation.

3. Summary of Significant Account Policies (continued)

(d)Use of Estimates

In preparing financial statements in conformity with US GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported periods. Significant estimates include useful lives of depreciable and amortizable assets and allowance for doubtful receivables. Actual results could differ from those estimates.

(e)Cash and Cash Equivalents

The Group considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. As of March 31, 2012, the Group did not have any cash equivalents.

(f)Allowance for Doubtful Receivables

The Group recognized an allowance for doubtful receivables to ensure accounts and other receivables are not overstated due to uncollectibility. Allowance for doubtful receivables is maintained for all customers based on a variety of factors, including the lengthy of time the receivables are past due, significant one-time events and historical experience. An additional allowance for individual accounts is recorded when the Group becomes aware of a customer's or other debtor's inability to meet its financial obligation, such as in the case of bankruptcy filings or deterioration in the customer's or other debtor's operating results or financial position. If circumstances related to customers or debtors change, estimates of the recoverability of receivables would be further adjusted.

The provision was made as follow: 5% of amounts due from 1 to 180 days: 50% of amounts due from 180 to 365 days and 100% of amounts due over 365 days.

(g)Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided principally by use of the straight-line method over the estimated useful lives of the related assets. Expenditures for maintenance and repairs, which does not improve or extend the expected useful life of the assets, are expensed to operations while major repairs are capitalized.

Management estimates that property, plant and equipment have a 10% residual value. The estimated useful lives are as follows:

Machinery	5 years
Office Equipment	5 years
Motor Vehicles	5 years

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amounts of the relevant assets, and, if any, is recognized in the statement of operations and comprehensive income.

3. Summary of Significant Account Policies (continued)

(h)Intangible Assets

Intangible assets consist of software and patents and are amortized using the straight-line method over their estimated useful life of 5 years.

(i)Impairment of Long-Lived Assets

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") No. 360-10-35, the Group evaluates its long-lived assets to determine whether later events and circumstances warrant revised estimates of useful lives or a reduction in carrying value due to impairment. If indicators of impairment exist and if the value of the assets is impaired, an impairment loss would be recognized. For the year ended March 31, 2012, an impairment loss of US$47,000(2010:US$Nil) has previously been recognized, which is included in loss from discontinued operations.

(j)Income Taxes

The Company accounts for income taxes under FASB ASC No. 740. Under FASB ASC No. 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC No. 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company reviews the difference between the tax bases under PRC tax laws and financial reporting under US GAAP. As of March 31, 2012, no material differences were found; therefore, there were no material deferred tax assets and liabilities arising from the operations of the subsidiaries in the PRC.

FASB ASC No. 740 clarifies the account for uncertainty in income taxes recognized in an enterprise's financial statements and it prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC No. 70 also provides guidance on derecognizing, classification, interest and penalties, accounting in interim periods, disclosures and transitions. Interest and penalties from tax assessments, if any, are included in general and administrative expenses in the consolidated statements of operations and comprehensive income.

The Company recognizes that virtually all tax positions in the PRC are not free of some degree of uncertainty due to tax law and policy changes by the PRC government. However, the Group cannot reasonably quantify political risk factors and thus must depend on guidance issued by current PRC government officials.

3. Summary of Significant Account Policies (continued)

(j)Income Taxes (continued)

Based on all known facts and circumstances and current tax law, the Company believes that the total amount of unrecognized tax benefits as of March 31, 2012 is not material to its results of operations, financial condition or cash flow. The Group also believes that the total amount of unrecognized tax benefits as of March 31, 2012, if recognized, would not have a material effect on its effective tax rate. The Company further believes that there are no tax positions for which it is reasonably possible, based on current Chinese tax law and policy, that the unrecognized tax benefits will significantly increase or decrease over the next twelve months producing individually or in the aggregate, a material effect on the Group's results of operations, financial condition or cash flows.

Under current PRC tax laws, no tax is imposed in respect to distributions paid to owners except individual income tax.

(k)Revenue Recognition

Revenue was goods sold is recognized when title has passed to the purchased, which generally is at the time of delivery. Revenue from design services is recognized when earned on the basis of the terms specified in the underlying contractual agreements.

(l)Research and Development Costs

Research and development costs consist of expenditures incurred during the course of planned research and investigation aimed at discovery of new knowledge which will be useful for developing new products or significantly enhancing existing products, and the implementation of such through design and testing of product alternatives. All expenses incurred in connection with the Group's research and development activities are charged to current income. During the year ended March 31, 2012, no research and development costs were charged to the statement of operations and comprehensive income.

(m)Foreign Currency Translation and Transactions

The functional currencies of the Group are U.S. dollars, Hong Kong dollars and Renminbi, and its reporting currency is U.S. dollars. The Group's balance sheet accounts are translated into U.S. dollars at the year-end exchange rates and all revenue and expenses are translated into U.S. dollars at the average exchange rates prevailing during the periods in which these items arise. Translation gains and losses are deferred and accumulated as a component of other comprehensive income in stockholders' equity. Transaction gains and losses that arise from exchange rate fluctuations from transaction denominated in a currency other that the functional currency are included in the consolidated statement of operations as incurred.

The PRC government imposes significant exchange restrictions on fund transfers out of the PRC that are not related to business operations. These restrictions have not had a material impact on the Group because it has not engaged in any significant transactions that are subject to restrictions.

3. Summary of Significant Account Policies (continued)

(n)Fair Value of Financial Instruments

FASB ASC No. 825 “Financial Instruments” requires disclosing fair value to the extent practicable for financial instruments that are recognized or unrecognized in the balance sheet. The fair value of the financial instruments disclosed herein is not necessarily representative of the amount that could be realized or settled, nor does the fair value amount consider the tax consequences of realization or settlement.

For certain financial instruments, including cash, accounts, notes and other receivables, accounts payable, accruals and other payables, it was assumed that the carrying amounts approximate fair value because of the near term maturities of such obligations.

The long-term accounts receivable are discounted based on the future contractual cash flows at the current marked rate that is available in the Group for similar financial instruments of 5%. US$473,000. (2010: US$1,425,000) was debited to revenue accordingly.

4. Convertible Note Agreement:

On May 1, 2011 the Company entered into a Convertible Note Agreement with Floating Feather Entertainment Inc to issue a 9% convertible note for $1,309,000 to mature May 1, 2012 to eliminate debt from discontinued operations. No interest accrual for interest has been accrued because of the going concern issue and lack of activity outside of maintaining the viability of the corporation.

5. Subsequent Events:

On May 20, 2012 the board of directors approved the acquisition of 100 percent of the shares of Xirxi Co., Ltd., a BVI corporation with its offices in Bangkok and Singapore in exchange for 90 percent of the issued and outstanding shares of the corporation as described in the “Share Exchange Agreement” signed between the two companies dated May 20, 2012. All other conditions of the acquisition are described in the agreement.