The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

羅兵咸永道

January 23, 2013

The Directors
PanAsialum Holdings Company Limited

HSBC Corporate Finance (Hong Kong) Limited
J.P. Morgan Securities (Far East) Limited

Dear Sirs,

We report on the financial information of PanAsialum Holdings Company Limited (the "Company") and its subsidiaries now comprising the group (together, the "Group") which comprises the combined balance sheets as at September 30, 2010, 2011 and 2012, the balance sheets of the Company as at September 30, 2010, 2011 and 2012, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended September 30, 2010, 2011 and 2012 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of the Company and is set out in Sections I to III below for inclusion in Appendix I to the prospectus of the Company dated January 23, 2013 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company was incorporated in the Cayman Islands on October 7, 2005 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganization as described in Note 1.2 of Section II headed "Reorganization" below, which was completed on October 12, 2012, the Company became the holding company of the subsidiaries now comprising the Group (the "Reorganization").

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in Note 1.2 of Section II below. All of these companies are private companies.

No audited financial statements have been prepared by the Company as it has not been involved in any significant business transactions since its date of incorporation other than the Reorganization. The audited financial statements of other companies now comprising the Group as at the date of this report for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their respective places of incorporation. The details of the statutory auditors of these companies are set out in Note 1.2 of Section II.

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The directors of the Company have prepared the combined financial statements of the Company and its subsidiaries now comprising the Group for the Relevant Periods, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"). The directors of the Company are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with HKFRSs. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the "HKSAs") issued by the HKICPA pursuant to separate terms of engagement with the Company.

The financial information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon, and presented on the basis set out in Note 1.3 of Section II below.

Directors' responsibility for the financial information

The directors of the Company are responsible for the preparation of the financial information that gives a true and fair view in accordance with the basis of presentation set out in Note 1.3 of Section II below and in accordance with HKFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Opinion

In our opinion, the financial information gives, for the purpose of this report and presented on the basis set out in Note 1.3 of Section II below, a true and fair view of the state of affairs of the Company as at September 30, 2010, 2011 and 2012 and of the combined state of affairs of the Group as at September 30, 2010, 2011 and 2012 and of the Group's combined results and cash flows for the Relevant Periods then ended.

I FINANCIAL INFORMATION

The following is the financial information of the Group as at September 30, 2010, 2011 and 2012 and for each of the years ended September 30, 2010, 2011 and 2012 (the "Financial Information"), presented on the basis set out in Note 1.3 below:

(a) Combined balance sheets

	Note	As at September 30, 2010	2011	2012
		HK$'000	HK$'000	HK$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6	141,132	182,225	399,637
Land use rights	7	9,170	9,572	9,356
Deposits and lease prepayments		1,302	2,456	1,847
Prepayments for property, plant and equipment		1,936	7,774	9,956
Capital guaranteed fund	9	4,412	4,446	4,482
Derivative financial instruments	9,13	544	343	474
		158,496	206,816	425,752
Current assets				
Inventories	11	132,259	187,495	208,283
Trade receivables	12	359,248	522,794	813,637
Prepayments, deposits and other receivables	12	65,006	89,225	112,696
Due from related companies	10	6,505	4,708	7,938
Pledged bank deposits	14	21,963	21,531	21,531
Cash and cash equivalents	14	139,490	111,352	143,303
		724,471	937,105	1,307,388
Total assets		882,967	1,143,921	1,733,140
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Combined capital	15	—	—	—
Reserves		438,439	638,380	735,955
Total equity		438,439	638,380	735,955
LIABILITIES				
Non-current liabilities				
Obligations under finance leases — non-current portion	17	1,932	409	—
		1,932	409	—
Current liabilities				
Trade payables	18	17,248	36,361	105,067
Other payables and accrued charges	18	76,665	111,735	146,039
Due to a director	10	8,486	—	—
Derivative financial instruments	13	21,830	—	340
Borrowings	16	279,408	314,451	602,084
Obligations under finance leases — current portion	17	3,846	1,466	409
Dividend payable		836	—	86,000
Current income tax liabilities		34,277	41,119	57,246
		442,596	505,132	997,185
Total liabilities		444,528	505,541	997,185
Total equity and liabilities		882,967	1,143,921	1,733,140
Net current assets		281,875	431,973	310,203
Total assets less current liabilities		440,371	638,789	735,955

(b) Balance sheets of the Company

	Note	As at September 30, 2010	2011	2012
		HK$'000	HK$'000	HK$'000
ASSET				
Current asset				
Prepayment		6	7	—
Total asset		6	7	—
EQUITY				
Equity attributable to the Company's equity holders				
Share capital	15	—	—	—
Accumulated losses		(316)	(358)	(402)
Total equity holders' deficit		(316)	(358)	(402)
LIABILITIES				
Current liabilities				
Accrual		—	—	7
Due to a fellow subsidiary	30(iii)	322	365	395
Total liabilities		322	365	402
Total equity and liabilities		6	7	—
Net current liabilities		(316)	(358)	(402)
Total asset less current liabilities		(316)	(358)	(402)

(c) Combined statements of comprehensive income

	Note	Year ended September 30, 2010	2011	2012
		HK$'000	HK$'000	HK$'000
Revenue	5	1,366,944	2,090,575	2,436,995
Cost of sales	19	(1,075,078)	(1,585,897)	(1,822,114)
Gross profit		291,866	504,678	614,881
Distribution and selling expenses	19	(115,588)	(89,296)	(102,630)
Administrative expenses	19	(80,062)	(82,271)	(138,703)
Other income	22	7,023	7,815	4,013
Other gains/(losses) — net	23	5,672	(45,240)	27,233
Operating profit		108,911	295,686	404,794
Finance income	24	152	173	209
Finance costs	24	(14,137)	(21,509)	(25,689)
Finance costs — net	24	(13,985)	(21,336)	(25,480)
Profit before income tax		94,926	274,350	379,314
Income tax expense	25	(8,246)	(14,058)	(22,226)
Profit for the year		86,680	260,292	357,088
Other comprehensive income				
Currency translation differences		(5,479)	9,649	487
Total comprehensive income for the year		81,201	269,941	357,575
Profit attributable to:				
Equity holders of the Company		86,680	260,292	357,088
Total comprehensive income attributable to:				
Equity holders of the Company		81,201	269,941	357,575
Earnings per share	27	N/A	N/A	N/A
Dividends	26	29,000	70,000	260,000

(d) Combined statements of changes in equity

	Attributable to equity holders of the Company					
	Combined capital	Foreign currency translation reserve	Statutory reserves	Retained earnings	Proposed final dividend	Total equity
	HK$'000	HK$'000	HK$'000 (Note)	HK$'000	HK$'000	HK$'000
Balance at October 1, 2009	—	22,364	5,099	355,823	25,000	408,286
Profit for the year	—	—	—	86,680	—	86,680
Other comprehensive income:						
Currency translation differences	—	(5,479)	—	—	—	(5,479)
Total comprehensive income for the year	—	(5,479)	—	86,680	—	81,201
Transactions with owners:						
Transfer to statutory reserves	—	—	1,255	(1,255)	—	—
Disposal of subsidiaries	—	2,952	—	—	—	2,952
Dividend — 2009 (Note 26)	—	—	—	—	(25,000)	(25,000)
Dividend — 2010 (Note 26)	—	—	—	(29,000)	—	(29,000)
Total transactions with owners	—	2,952	1,255	(30,255)	(25,000)	(51,048)
Balance at September 30, 2010	—	19,837	6,354	412,248	—	438,439
Balance at October 1, 2010	—	19,837	6,354	412,248	—	438,439
Profit for the year	—	—	—	260,292	—	260,292
Other comprehensive income:						
Currency translation differences	—	9,649	—	—	—	9,649
Total comprehensive income for the year	—	9,649	—	260,292	—	269,941
Transactions with owners:						
Transfer to statutory reserves	—	—	3,183	(3,183)	—	—
Dividend —2011 (Note 26)	—	—	—	(70,000)	—	(70,000)
Total transactions with owners	—	—	3,183	(73,183)	—	(70,000)
Balance at September 30, 2011	—	29,486	9,537	599,357	—	638,380
Balance at October 1, 2011	—	29,486	9,537	599,357	—	638,380
Profit for the year	—	—	—	357,088	—	357,088
Other comprehensive income:						
Currency translation differences	—	487	—	—	—	487
Total comprehensive income for the year	—	487	—	357,088	—	357,575
Transactions with owners:						
Transfer to statutory reserves	—	—	3,535	(3,535)	—	—
Dividend — 2012 (Note 26)	—	—	—	(260,000)	—	(260,000)
Total transactions with owners	—	—	3,535	(263,535)	—	(260,000)
Balance at September 30, 2012	—	29,973	13,072	692,910	—	735,955

Note:
The statutory reserves are set up by the Group's subsidiaries, namely 滎陽鋁業(中國)有限公司 ("PACL") and OPAL (Macao Commercial Offshore) Limited ("MCO"), by way of appropriation from the profit for the year in accordance with the relevant laws and regulations in the People's Republic of China (the "PRC") and in Macao.

In the PRC, PACL is required to allocate at least 10% of its net profit for the year as reported in its PRC statutory accounts to the statutory reserves until such reserve reaches 50% of registered capital. The reserve is designated for statutory surplus reserve fund and an enterprise expansion fund which are non-distributable. The statutory surplus reserve fund can be used to make up its prior years' losses, if any, and can be applied in conversion into capital by means of capitalization issue. The enterprise expansion fund can be used for expanding the capital base of PACL, by means of capitalization issue.

In Macao, the Macao Commercial Code #377 requires that MCO should set aside a minimum of 25% of MCO's profit for the year to the statutory reserves until the balance of the reserve reaches a level equivalent to 50% of the capital of MCO. The reserve is non-distributable.

During the years ended September 30, 2010 and 2011 and 2012, appropriations to the statutory reserves amounted to approximately HK$1,255,000, HK$3,183,000, and HK$3,535,000 respectively.

(e) Combined statements of cash flows

	Note	Year ended September 30, 2010	2011	2012
		HK$'000	HK$'000	HK$'000
Cash flows from operating activities				
Cash generated from operations	28(a)	113,862	118,537	194,509
Interest paid		(14,137)	(21,509)	(25,689)
Income tax paid		(4,753)	(10,149)	(6,723)
Net cash generated from operating activities		94,972	86,879	162,097
Cash flows from investing activities				
Purchase of property, plant and equipment and construction in progress		(11,683)	(74,225)	(244,267)
(Increase)/decrease in deposits for property, plant and equipment		(833)	(6,920)	160
Proceeds from sale of property, plant and equipment		325	1,034	785
Cash and cash equivalents in subsidiaries disposed of	28(b)	(14,598)	—	—
Investment in capital guaranteed fund		(4,524)	—	—
Proceeds received on maturity of capital guaranteed fund		3,903	—	—
Interest received		141	3,014	209
Net cash used in investing activities		(27,269)	(77,097)	(243,113)
Cash flows from financing activities				
Increase in pledged bank deposits		3,572	432	—
Dividends paid to Company's shareholders		(67,037)	(70,836)	(174,000)
Proceeds from borrowings		881,910	1,066,583	1,416,013
Repayments of borrowings		(819,791)	(1,031,540)	(1,128,380)
Payment of finance lease liabilities	28(c)	(4,424)	(3,911)	(1,466)
Net cash (used in)/generated from financing activities		(5,770)	(39,272)	112,167
Net increase/(decrease) in cash and cash equivalents		61,933	(29,490)	31,151
Cash and cash equivalents at beginning of the year		77,205	139,490	111,352
Exchange gains on cash and cash equivalents		352	1,352	800
Cash and cash equivalents at end of the year	14	139,490	111,352	143,303

II NOTES TO THE FINANCIAL INFORMATION

1 General information of the Group and reorganization

1.1 General information of the Group

PanAsialum Holdings Company Limited (formerly known as "PanAsia Enterprises Group Limited") (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands on October 7, 2005 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the manufacturing and trading of aluminum products ("Listing Business").

Pursuant to a director's resolution dated October 19, 2011, the Company changed its name from PanAsia Enterprises Group Limited to PanAsialum Holdings Company Limited. The controlling shareholder of the Listing Business is Mr. Marcus Pan (the "Controlling Shareholder").

The Financial Information is presented in Hong Kong Dollar (HK$), unless otherwise stated.

1.2 Reorganization

The Listing Business was primarily carried out by PanAsia Enterprises Group Limited ("PanAsia BVI") and its subsidiaries. In preparation for the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing"), the Group underwent the reorganization (the "Reorganization") as follows:

On October 12, 2012, the Company issued and allotted 999,999 ordinary shares of HK$0.1 each at par to Easy Star Holdings Limited ("Easy Star") in exchange for the entire interests in PanAsia BVI, the then wholly owned subsidiary of Easy Star.

Upon the completion of the Reorganization and as of the date of this report, the Company had direct and indirect interests in the following subsidiaries. Such interests, directly or indirectly held by the Controlling Shareholder, have remained unchanged during the Relevant Periods.

Name of company	Place of incorporation/ establishment	Date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interest	Principal activities and place of operations	Note
PanAsia Aluminium (Hong Kong) Limited	Hong Kong	June 7, 2000	10,000 ordinary shares of HK$1 each	100% (indirect)	Trading of aluminum products / Hong Kong	(i)
PanAsia Aluminium Limited	Hong Kong	July 18, 1997	10,000 ordinary shares of HK$1 each	100% (indirect)	Trading of aluminum products and provision of management services / Hong Kong	(i)
PanAsia Trading Limited	Hong Kong	November 23, 1993	10,000 ordinary shares of HK$1 each	100% (indirect)	Trading of aluminum products / Hong Kong	(i)

Name of company	Place of incorporation/ establishment	Date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interest	Principal activities and place of operations	Note
OPAL (Macao Commercial Offshore) Limited (formerly known as PanAsia Aluminium (Macao Commercial Offshore) Limited)	Macao	September 23, 2005	Registered capital of MOP1,000,000	100% (indirect)	Trading of aluminum products / Macao	(ii)
榮陽鋁業(中國)有限公司 ("PanAsia Aluminum (China) Co., Ltd")* (formerly known as 增城榮陽鋁業有限公司 Zeng Cheng PanAsia Aluminium Co., Ltd.)	The People's Republic of China (the "PRC")	April 20, 1998	Registered capital of US$21,889,000 and paid-up capital of US$21,889,000	100% (indirect)	Manufacturing and trading of aluminum products / the PRC	(iii)
廣州澳普利發門窗系統有限公司 ("Guangzhou OPLV Doors and Windows Systems Co., Ltd")* (formerly known as 廣州澳寶易發門窗系統有限公司)	The PRC	December 12, 2007	Registered capital of US$13,000,000 and paid-up capital of US$13,000,000	100% (indirect)	Processing and trading of windows and doors system / the PRC	(iii)
廣州榮富電子科技有限公司 ("Guangzhou Rongfu Electronics Technology Co. Ltd.)*	The PRC	May 10, 2012	Registered capital of RMB10,000,000 and paid up capital of RMB10,000,000	100% (indirect)	Manufacturing, developing and trading of electronic products and computer parts	(vii)
PanAsia Enterprises Group Limited (formerly known as Smart Team Holdings Limited)	The British Virgin Islands (the "BVI")	June 3, 1998	2 ordinary shares of US$1 each	100% (direct)	Investment holding	(iv)
CEPA Chance Investments Limited	The BVI	December 8, 2003	1 ordinary share of US$1 each	100% (indirect)	Inactive	(iv)
Loyal Hill (Holdings) Limited	Hong Kong	December 6, 2007	1 ordinary share of HK$1 each	100% (indirect)	Inactive	(i)
Loyal Hill Limited	Hong Kong	December 6, 2007	1 ordinary share of HK$1 each	100% (indirect)	Inactive	(i)
OPLV Architectural Design Pty. Ltd. (formerly known as OPLV Window And Door Pty. Ltd.)	Australia	January 31, 2008	100 ordinary shares of AUD1 each	100% (indirect)	Inactive	(v)

Name of company	Place of incorporation/ establishment	Date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interest	Principal activities and place of operations	Note
PanAsia Group Limited	Hong Kong	July 11, 1997	1,000,000 ordinary shares of HK$1 each	100% (indirect)	Investment holding / Hong Kong	(i)
Triplerich Associates Limited	The BVI	December 6, 2004	1 ordinary share of US$1 each	100% (indirect)	Inactive	(vi)
Win International Limited	Hong Kong	November 26, 2003	10,000 ordinary shares of HK$1 each	100% (indirect)	Investment holding / Hong Kong	(i)
成都珍誠貿易有限公司 ("Chengdu Zhencheng Trading Co., Ltd)*	The PRC	November 22, 2012	Registered capital of HK$10,000,000, nil paid	100% (indirect)	General trading and aftersales services	(vii)

The subsidiaries incorporated in the People's Republic of China and Australia have adopted December 31, as their financial year end date. All other companies now comprising the Group have adopted September 30, as their financial year end date.

(i) The statutory financial statements of these subsidiaries for the years ended September 30, 2010 and 2011 were prepared in accordance with Hong Kong Financial Reporting Standards and audited by PricewaterhouseCoopers.

(ii) The statutory financial statements of this subsidiary for the years ended September 30, 2010 and 2011 were prepared in accordance with Financial Reporting Standards issued by the Government of the Macao Special Administrative Region and audited by PricewaterhouseCoopers.

(iii) The statutory financial statements of these subsidiaries for the years ended December 31, 2009, 2010 and 2011 were audited by 廣州市增信會計師事務所有限公司 (Guangzhou Zengxin Certified Public Accountants Co., Ltd.). All these audited financial statements were prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises in the PRC.

(iv) The non-statutory financial statements of these subsidiaries for the years ended September 30, 2010 and 2011 were prepared in accordance with Hong Kong Financial Reporting Standards and audited by PricewaterhouseCoopers.

(v) The statutory financial statements of this subsidiary for the period ended June 30, 2010 were audited by Peter Tsang & Co.. These audited financial statements were prepared in accordance with Australian Accounting Standards. No audited financial statements have been prepared for the years ended December 31, 2010, 2011 and 2012 as this subsidiary is eligible for exemption of statutory audit requirement in its jurisdiction.

(vi) No audited financial statements were issued for this subsidiary as it is not required under the statutory requirements of its place of incorporation.

(vii) No audited financial statements were issued for these subsidiaries as it is the first year of incorporation.

* The English names of certain subsidiaries and auditors referred to above represented the best efforts by management of the Company in translating their Chinese names as they do not have official English names.

1.3 Basis of presentation

Prior to and after the Reorganization, the Listing Business has been conducted through PanAsia BVI and its subsidiaries. Pursuant to the Reorganization, PanAsia BVI and the Listing Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganization and do not meet the definition of a business. The transaction is merely a reorganization of the Listing Business and there was no change in management and the controlling shareholder of the Listing Business. Accordingly, the combined financial information of the companies now comprising the Group is presented using the carrying values of the Listing Business under PanAsia BVI for all periods presented. For the purpose of this report, the Financial Information of the Group has been prepared on a basis in accordance with the principles of the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Intercompany transactions, balances and unrealised profits or losses on transactions between group companies are eliminated on combination.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to the Relevant Periods, unless otherwise stated.

2.1 Basis of preparation

For the purposes of this report, the Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") under the historical cost convention, as modified by derivative financial instruments at fair value through profit or loss.

The preparation of the Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4 of this section.

As at the date of this report, the following standards and amendments to existing standards have been published by the HKICPA but are not yet effective during the Relevant Periods and have not been early adopted by the Group.

HKFRS 9, "Financial instruments" (effective for annual periods beginning on or after January 1, 2015). It addresses the classification, measurement and recognition of financial assets and financial liabilities. Financial assets are required to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The mandatory effective date of HKFRS 9 was deferred from January 1, 2013 to January 1, 2015 with earlier adoption still permitted. The deferral will make it possible for outstanding parts of the standard to have the same mandatory effective date. The amendment modifies the relief from restating prior periods. As part of this modification, an amendment to HKFRS 7, "Financial instruments: Disclosures" has also been published that requires additional disclosures on transition from HKAS 39 to HKFRS 9. Consequently, under the new transitional rules, the Group needs not restate prior period comparatives but will have to give the new transitional disclosures.

HKFRS 10, "Consolidated financial statements" and the consequential amendments to HKAS 27 "Consolidated and separate financial statements" (effective for annual periods beginning on or after January 1, 2013). It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments), "Investment Entities" (effective for annual periods beginning on or after January 2014). They apply to a particular class of business that qualify as investment entities as defined in the amendments. The Investment Entities amendments provide an exception to the consolidation requirements in HKFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

HKFRS 11, "Joint Arrangements" and the consequential amendment to HKAS 28 "Investments in Associates" (effective for annual periods beginning on or after January 1, 2013). It refines that joint arrangements are limited to joint operations and joint ventures only. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today.

HKFRS 12, "Disclosures of interests in other entities" (effective for annual periods beginning on or after January 1, 2013). It includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13, "Fair value measurement" (effective for annual periods beginning on or after January 1, 2013). It aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

HKAS 1 (Amendment), "Presentation of financial statements" (effective for annual periods beginning on or after July 1, 2012). The amendment changes the disclosure of items presented in other comprehensive income in the statement of comprehensive income. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. Entities that choose to present other comprehensive income items before tax will be required to show the amount of tax related to the two groups separately. The title used by HKAS 1 for the statement of comprehensive income has changed to "statement of profit or loss and other comprehensive income". However HKAS 1 still permits entities to use other titles.

HKAS 12 (Amendment), "Income taxes" (effective for annual periods beginning on or after January 1, 2012). The amendment introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale.

HKAS 19 (2011), "Employee benefits" (effective for annual periods beginning on or after January 1, 2013). The amendment eliminates the use of the "corridor approach" from HKAS 19, enhances disclosures and modifies accounting for termination benefits.

HKAS 27 (2011), "Separate Financial Statements" (effective for annual periods beginning on or after January 1, 2013). HKAS 27 was amended in May 2011 following the issuance of HKFRS 10. The revised HKAS 27 deals only with the accounting for subsidiaries, associates and joint ventures in the separate financial statements of the parent company.

HKAS 28 (2011), "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after January 1, 2013). The revised HKAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.

HKAS 32 (Amendment), "Financial Instruments: Presentation" (effective for annual periods beginning on or after January 1, 2014). The amendment addresses offsetting of financial assets and financial liabilities. That is not relevant for the Group in its current operations.

HK(IFRIC)-Int 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after January 1, 2013). The interpretation is not relevant to the Group in its current operations.

The Group does not plan to early adopt any of these standards. The Group is currently assessing the impact of the adoption of the above new standards and amendments, but not yet in a position to state whether they would have a significant impact to the Group's results of operations and its financial position, except as stated above.

2.2 Consolidation and combination

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the combined statements of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealized gains and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors (the "Board") that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The Financial Information is presented in Hong Kong Dollar, which is the Company's functional and the Company's and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the combined statements of comprehensive income within "other gains/(losses) — net".

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognized in other comprehensive income.

On combination, exchange differences arising from the translation of the net investment in foreign operations are taken to the other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences accumulated in equity are recognized in profit and loss as part of the gain or loss on sale.

2.5 Land use rights

Land use rights are stated at cost less accumulated amortization and impairment losses. Cost mainly represents consideration paid for the rights to use the land from the date the respective rights were granted. Amortization of land use rights is calculated on a straight-line basis over the period of the rights, i.e. 50 years.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the combined statements of comprehensive income during the Relevant Periods in which they are incurred.

Depreciation of property, plant and equipment is calculated using straight-line method to allocate their costs, less their estimated residual value, if any, over their estimated useful lives, as follows:

Buildings	20 years
Plant and machinery	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Motor vehicles	4 - 10 years

Construction-in-progress, which includes direct expenditures for construction of buildings, is stated at cost. Capitalized costs include costs incurred during the construction phase which directly relates to the asset under construction. Once all the activities necessary to prepare an asset to be available for its intended use are substantially completed, the construction-in-progress is transferred to property, plant and equipment. No depreciation is provided in respect of construction-in-progress.

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the combined statements of comprehensive income.

2.7 Impairment of investment in a subsidiary and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from that subsidiary if the dividend exceeds the total comprehensive income of the subsidiary concerned in the period the dividend is declared or if the carrying amount of the subsidiary in the Company's balance sheet exceeds the carrying amount of the subsidiary's net assets including goodwill in the combined balance sheets.

2.8 Financial assets

The Group classifies its financial assets into the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the Group's financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. In this category, the Group has only some derivatives (Note 2.10).

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets.

Regular way of purchases and sales of financial assets are recognized on trade-date, that is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the combined statements of comprehensive income within "other gains/(losses) — net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the combined statements of comprehensive income as part of other income when the Group's right to receive payments is established.

2.9 Impairment of financial assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the combined statements of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in combined statements of comprehensive income.

2.10 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The Group's derivative financial instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognized immediately in the combined statements of comprehensive income within "other gains/(losses) — net".

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account and the loss is recognized in the combined statements of comprehensive income within "administrative expenses". When a receivable is uncollectible, it is written off against the provision account for receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the combined statements of comprehensive income.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, excluding pledged deposits.

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs, net of tax, directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the combined statements of comprehensive income within "finance costs" over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.17 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the profit for the period, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

(a) sales of goods (including moulds and samples) are recognized on the transfer of risks and rewards of ownership of the products, which generally coincides with the time when the goods are delivered to customers and the title is passed.

(b) income from processing services is recognized when the services are rendered.

(c) interest income is recognized on a time-proportion basis using the effective interest method.

(d) dividend income is recognized when the right to receive payment is established.

2.21 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(b) Pension obligations

The Group participates in defined contribution schemes which are available to eligible employees, the assets of which are held in separate trustee administered funds. The Group's contributions to the defined contribution retirement schemes are expensed as incurred. The Group has no further obligation once the contributions have been paid.

The Group also participates in the employee social security plan (the "Plan") as required by the regulations in the PRC. The Group is required to make welfare contributions to the Plan which is based on a certain percentage of the employees' relevant income.

2.22 Leases

(a) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss for the period on a straight-line basis over the period of the lease.

(b) Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the combined statements of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.23 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The income approach is adopted to recognize government grants. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Where a government grant becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, it is recognized as income in the period in which it becomes receivable. Government grants are recognized within "other income" in the combined statements of comprehensive income.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's Financial Information in the period in which the dividends are approved by the Company's shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and interest rate risk), credit risk and liquidity risk. The Group is not exposed to material equity price risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group's management regularly monitors the exposures and implements timely and effective policies to mitigate potential risks. Risk management is carried out by the group treasury department under policies approved by the board of directors. Financial risks are identified and evaluated in different units with close cooperation with the group treasury. Based on the policies, the Group can use also derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Hong Kong, Macao and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD"), Chinese Renminbi ("RMB"), and Australian Dollar ("AUD"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The Group's exposure to different currencies is disclosed in relevant notes.

For companies with HK$ as their functional currency

As HK$ is pegged to USD, the directors consider the foreign exchange risk exposure with respect to USD is not significant for the group companies which have HK$ as functional currency.

As of September 30, 2011 and 2012, if AUD had weakened/strengthened by 10% against HK$ with all other variables held constant, post-tax profit for the years would have been approximately HK$99,000 and HK$173,000 lower/higher respectively, mainly as a result of net foreign exchange losses/gains on translation of AUD denominated cash and bank deposits, other receivables, derivative financial instruments as well as the current account with group companies. As of September 30, 2010, if AUD had weakened/strengthened by

10% against HK$ with all other variables held constant, post-tax profit for the year would have been approximately HK$22,558,000/HK$36,693,000 higher/lower, mainly as a result of net foreign exchange gains/losses on derivative financial instruments, as well as translation of AUD denominated cash and bank deposits and other receivables.

As at September 30, 2010, 2011 and 2012, there are no significant assets and liabilities denominated in RMB, and hence there is no significant foreign currency risk with respect to RMB to group companies which have HK$ as functional currency.

For companies with RMB as their functional currency

As at September 30, 2010, 2011 and 2012, if USD had weakened/strengthened by 10% against RMB with all other variables held constant, post-tax profit for the years would have been HK$1,708,000, HK$7,340,000 and HK$17,337,000 lower/higher respectively, mainly as a result of net foreign exchange losses/gains on translation of USD-denominated receivables.

As at September 30, 2010, 2011 and 2012, there are no significant assets and liabilities denominated in HK$/AUD, and hence there is no significant foreign currency risk with respect to HK$/AUD to group companies which have RMB as functional currency.

For companies with USD as their functional currency

As at September 30, 2010, 2011 and 2012, if AUD had weakened/strengthened by 10% against USD with all other variables held constant, post-tax profit for the years would have been HK$21,039,000, HK$27,725,000 and HK$33,191,000 lower/higher respectively, mainly as a result of the foreign exchange losses/gains on translation of AUD-denominated receivables which are partially offset by the fair value gains/losses on foreign exchange forward contracts.

As at September 30, 2010, 2011 and 2012, there are no significant assets and liabilities denominated in HK$/RMB, and hence there is no significant foreign currency risk with respect to HK$/RMB to group companies which have USD as functional currency.

(ii) Commodity price risk

The Group is exposed to commodity price risk because aluminum ingots are the major raw materials of the Group's products. Management considers the fluctuations on the commodity price of aluminum does not have a significant impact on the Group's earnings and cash flows as the pricing to customers are referenced to market prices.

(iii) Interest rate risk

The Group's interest-rate risk arises from variable rate pledged bank deposits, cash and cash equivalents and borrowings. Borrowings issued at floating rate expose the Group to cash flow interest-rate risk. The Group has not hedged its cash flow interest rate risk. The Group does not have any significant assets or liabilities which would expose it to fair value interest rate risk.

As at September 30, 2010, 2011 and 2012, if interest rates on variable rate pledged bank deposits, cash and cash equivalents and borrowings had been 25 basis points higher/lower with all other variables held constant, post-tax profit for the years would have been HK$312,000, HK$459,000 and HK$1,094,000 lower/higher respectively, mainly as a result of higher/lower interest expense on variable rate borrowings.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. For credit risk in respect of cash and cash equivalents with banks, the Group manages this risk by placing cash and cash equivalents and deposits with major local banks and state-owned banks in the PRC with good credit standing. For credit risk in respect of trade receivables from customers, the Group has policies in place to ensure that sales are made to reputable and credit-worthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. For each individually significant trade receivable, the assessment is made on an individual basis.

The credit risk is characterized by having high concentration of business with long-term reputable customers. The Group's two largest trade debtors accounted for 71%, 84% and 94% of its total trade receivables as at September 30, 2010, 2011 and 2012, respectively. As at September 30, 2010, 2011 and 2012, one of these two largest trade debtors is the subsidiaries that the Group disposed of in May 2009 and December 2009 (Note 28(b)). The Group maintains frequent communications with these customers to ensure relevant transactions are running effectively and smoothly and balances are reconciled. Management believes that the credit risk related to these customers is not significant. Settlements from these two customers are closely monitored on an ongoing basis by management of the Group to ensure any overdue debts are identified and follow-up action is taken to recover the overdue debts.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of an adequate amount of credit facilities.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility (Note 16) and cash and cash equivalents (Note 14)) on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining years at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months or are repayable on demand equal their carrying balances, as the impact of discounting is not significant.

Specifically, for term loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At September 30, 2010				
Term loans	73,478	—	—	73,478
Other bank loans	205,930	—	—	205,930
Trade and other payables	93,913	—	—	93,913
Obligations under finance leases	4,053	1,463	542	6,058
Interest payments on term loans	5,433	—	—	5,433
Interest payments on other bank loans	5,861	—	—	5,861
Derivative financial instruments	21,830	—	—	21,830
Due to a director	8,486	—	—	8,486
Dividend payable	836	—	—	836
At September 30, 2011				
Term loans	66,209	—	—	66,209
Other bank loans	248,242	—	—	248,242
Trade and other payables	148,096	—	—	148,096
Obligations under finance leases	1,533	414	—	1,947
Interest payments on term loans	3,634	—	—	3,634
Interest payments on other bank loans	8,991	—	—	8,991
At September 30, 2012				
Term loans	198,214	—	—	198,214
Other bank loans	403,870	—	—	403,870
Trade and other payables	251,106	—	—	251,106
Obligations under finance leases	409	—	—	409
Interest payments on term loans	14,628	—	—	14,628
Interest payments on other bank loans	22,580	—	—	22,580

The following table summarizes the maturity analysis of term loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At September 30, 2010				
Term loans subject to a repayment on demand clause	23,527	41,551	8,400	73,478
Interest payments on term loans subject to a repayment on demand clause	3,513	1,661	259	5,433
At September 30, 2011				
Term loans subject to a repayment on demand clause	50,100	14,567	1,542	66,209
Interest payments on term loans subject to a repayment on demand clause	2,981	639	14	3,634
At September 30, 2012				
Term loans subject to a repayment on demand clause	59,247	54,378	84,589	198,214
Interest payments on term loans subject to a repayment on demand clause	9,560	6,338	93,395	109,293

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and obligations under finance leases as shown in the combined balance sheets) less cash and cash equivalents and pledged bank deposits. Total capital is calculated as "equity", as shown in the combined balance sheets, plus net debt. The net debt to equity ratio increased during the year ended September 30, 2012 because of the increase in borrowings of HK$286 million.

The capital structure of the Group as at September 30, 2010, 2011 and 2012 was as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Total borrowings (Notes 16 and 17)	285,186	316,326	602,493
Less: Cash and cash equivalents and pledged bank deposits (Note 14)	(161,453)	(132,883)	(164,834)
Net debt	123,733	183,443	437,659
Total equity	438,439	638,380	735,955
Total capital	562,172	821,823	1,173,614
Net gearing ratio	22.0%	22.3%	37.3%

3.3 Fair value estimation

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 — Quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 — Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value as at September 30, 2010, 2011 and 2012.

At September 30, 2010

Group	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
Equity-index embedded derivatives	—	544	—	544
Liabilities				
Foreign exchange forward contracts	—	(21,830)	—	(21,830)

At September 30, 2011

Group	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
Equity-index embedded derivatives	—	343	—	343

At September 30, 2012

Group	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
Equity-index embedded derivatives	—	474	—	474
Liabilities				
Foreign exchange forward contracts	—	(340)	—	(340)

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to their short maturity.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provision in the period in which such determination is made.

(b) Provision for impairment of receivables

Management determines the provision for impairment of trade receivables. This amount of impairment is based on the credit history of its customers and the current market condition. Management reassesses the provision at each reporting date.

Significant judgment is exercised on the assessment of the collectability of trade receivables from each customer. In making the judgment, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required.

Carrying amount and impairment of trade receivables are disclosed in Note 12.

(c) Fair value of derivatives

The fair value of derivatives is determined by using valuation techniques. The Group uses its judgment to select an appropriate valuation method and makes assumptions that are mainly based on market conditions existing at the end of the reporting period. Changes in assumptions can materially affect the fair value estimate of the financial instruments. Information on the fair values of derivative financial instruments is disclosed in Note 3.3.

(d) Identification of functional currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgment. The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment.

5 Segment information

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a product perspective. The Board regularly reviews the combined financial information from a product perspective to assess performance and make resources allocation decisions. The operating segments are determined to be based on products. Management assesses the performance of the operating segments based on a measure of gross profit. The Board supplementary reviews the sales and gross profit from external customers based on their geographical locations.

The Group derives its revenue from three product segments, namely electronics parts, branded OPLV products and construction and industrial products which are operating in five geographical areas, namely the PRC (excluding Hong Kong), Australia, North America (Canada and the United States), Hong Kong and others.

The description of each reportable product segment is as follows:

Reportable product segment	Type of products
Electronics parts	Aluminum parts for consumer electronics products, examples include heat sinks and chassis for computers.
Branded OPLV products	Door and window frames systems marketed under "OPLV" brand and sold through distributors
Construction and industrial products	Products sold for construction and industrial use, examples include window and door frames, curtain walls, guardrails, body parts for transportation, mechanical and electrical equipment and consumer durable goods.

The segment information for the operating segments for the year ended September 30, 2010 is as follows:

	Electronics parts	Branded OPLV products	Construction and industrial products	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	119,808	129,397	1,117,739	1,366,944
Cost of sales	(110,530)	(97,127)	(867,421)	(1,075,078)
Segment gross profit	9,278	32,270	250,318	291,866
Unallocated operating costs				(195,650)
Other income				7,023
Other gains — net				5,672
Finance costs — net				(13,985)
Profit before income tax				94,926

The segment information for the operating segments for the year ended September 30, 2011 is as follows:

	Electronics parts	Branded OPLV products	Construction and industrial products	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	791,519	182,705	1,116,351	2,090,575
Cost of sales	(608,557)	(139,008)	(838,332)	(1,585,897)
Segment gross profit	182,962	43,697	278,019	504,678
Unallocated operating costs				(171,567)
Other income				7,815
Other losses — net				(45,240)
Finance costs — net				(21,336)
Profit before income tax				274,350

The segment information for the operating segments for the year ended September 30, 2012 is as follows:

	Electronics parts	Branded OPLV products	Construction and industrial products	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	1,143,528	258,199	1,035,268	2,436,995
Cost of sales	(825,970)	(199,631)	(796,513)	(1,822,114)
Segment gross profit	317,558	58,568	238,755	614,881
Unallocated operating costs				(241,333)
Other income				4,013
Other gains — net				27,233
Finance costs — net				(25,480)
Profit before income tax				379,314

The analysis of the Group's revenue and gross profit from external customers attributed to the locations in which the sales originated during the Relevant Periods consists of the following:

	For the year ended September 30, 2010					
	The PRC	Australia	North America	Hong Kong	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	501,461	679,148	119,577	55,668	11,090	1,366,944
Cost of sales	(444,365)	(477,063)	(102,439)	(40,465)	(10,746)	(1,075,078)
Gross profit	57,096	202,085	17,138	15,203	344	291,866

	For the year ended September 30, 2011					
	The PRC	Australia	North America	Hong Kong	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	1,174,709	732,679	53,439	96,576	33,172	2,090,575
Cost of sales	(935,804)	(498,184)	(46,432)	(74,452)	(31,025)	(1,585,897)
Gross profit	238,905	234,495	7,007	22,124	2,147	504,678

	For the year ended September 30, 2012					
	The PRC	Australia	North America	Hong Kong	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Sales to external customers	1,530,097	732,832	50,489	71,102	52,475	2,436,995
Cost of sales	(1,143,881)	(525,730)	(47,380)	(54,515)	(50,608)	(1,822,114)
Gross profit	386,216	207,102	3,109	16,587	1,867	614,881

Details of customers accounting for 10% or more of total revenue are as follows:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Customer A	Note	786,163	1,113,037
Customer B	382,965	593,044	608,735

Note: Less than 10%.

The geographical location of non-current assets other than financial instruments and deferred tax assets are determined based on the countries of domicile of the companies now comprising the Group. The total of non-current assets other than financial instruments and deferred tax assets located in respective geographical locations are as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
The PRC	148,790	199,327	417,336
Hong Kong	4,623	2,541	3,375
Other countries	127	159	85
	153,540	202,027	420,796

6 Property, plant and equipment

	Buildings	Plant and machinery	Office equipment	Furniture and fixtures	Motor vehicles	Construction-in-progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended September 30, 2010							
Opening net book amount	30,467	106,187	3,775	1,015	4,376	4,714	150,534
Exchange differences	6	—	14	16	16	—	52
Additions	—	11,320	1,185	—	898	1,486	14,889
Transfers	—	5,514	—	—	—	(5,514)	—
Disposals	—	(286)	(6)	—	—	—	(292)
Disposal of subsidiaries (Note 28(b))	(266)	—	(493)	(775)	(529)	—	(2,063)
Depreciation (Note 19)	(1,646)	(17,715)	(1,348)	(158)	(1,121)	—	(21,988)
Closing net book amount	28,561	105,020	3,127	98	3,640	686	141,132
At September 30, 2010							
Cost	38,690	250,044	7,527	722	7,064	686	304,733
Accumulated depreciation	(10,129)	(145,024)	(4,400)	(624)	(3,424)	—	(163,601)
Net book amount	28,561	105,020	3,127	98	3,640	686	141,132
Year ended September 30, 2011							
Opening net book amount	28,561	105,020	3,127	98	3,640	686	141,132
Exchange differences	2,052	7,511	137	—	166	60	9,926
Additions	—	69,368	855	—	2,034	1,968	74,225
Transfers	—	1,682	—	—	—	(1,682)	—
Disposals	—	(15,771)	—	—	—	—	(15,771)
Depreciation (Note 19)	(2,586)	(22,057)	(1,334)	(55)	(1,255)	—	(27,287)
Closing net book amount	28,027	145,753	2,785	43	4,585	1,032	182,225
At September 30, 2011							
Cost	41,587	286,998	8,814	722	9,406	1,032	348,559
Accumulated depreciation	(13,560)	(141,245)	(6,029)	(679)	(4,821)	—	(166,334)
Net book amount	28,027	145,753	2,785	43	4,585	1,032	182,225
Year ended September 30, 2012							
Opening net book amount	28,027	145,753	2,785	43	4,585	1,032	182,225
Exchange differences	193	26	5	(2)	13	—	235
Additions	3,388	247,156	7,103	612	3,948	7,259	269,466
Transfers	—	5,952	—	—	—	(5,952)	—
Disposals	—	(1,892)	(391)	—	(263)	—	(2,546)
Depreciation (Note 19)	(2,481)	(43,788)	(1,811)	(68)	(1,595)	—	(49,743)
Closing net book amount	29,127	353,207	7,691	585	6,688	2,339	399,637
At September 30, 2012							
Cost	45,254	516,263	15,547	1,332	12,533	2,339	593,268
Accumulated depreciation	(16,127)	(163,056)	(7,856)	(747)	(5,845)	—	(193,631)
Net book amount	29,127	353,207	7,691	585	6,688	2,339	399,637

As at September 30, 2010, 2011 and 2012, the net book value of buildings pledged as securities for the Group's banking facilities was HK$28,561,000, HK$28,027,000 and HK$29,127,000 respectively (Note 16).

As at September 30, 2010, 2011 and 2012, the net book value of plant and machinery and motor vehicles held by the Group under finance leases was HK$10,345,000, HK$3,010,000 and HK$2,091,000 respectively.

Depreciation expense of the Group's property, plant and equipment has been charged to the combined statements of comprehensive income as follows:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Cost of sales	18,101	23,726	46,545
Administrative expenses	3,887	3,561	3,198
	21,988	27,287	49,743

All buildings are located in the PRC.

7 Land use rights

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analyzed as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
The PRC, held on leases of between 10 to 50 years	9,170	9,572	9,356

As at September 30, 2010, 2011 and 2012, land use rights with net book value of HK$9,170,000, HK$9,572,000 and HK$9,356,000 were pledged as securities for the Group's bank borrowings (Note 16).

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Opening net book amount	9,431	9,170	9,572
Amortization for the year	(261)	(285)	(292)
Exchange differences	—	687	76
Closing net book amount	9,170	9,572	9,356

Amortization expense has been charged to "administrative expenses" in the combined statements of comprehensive income.

8 Financial instruments by category

	Loans and receivables	Financial assets at fair value through profit or loss	Total
	HK$'000	HK$'000	HK$'000
Assets as per combined balance sheets			
September 30, 2010			
Trade receivables (Note 12)	359,248	—	359,248
Other receivables	546	—	546
Due from related companies (Note 10)	6,505	—	6,505
Capital guaranteed fund and derivative financial instruments (Notes 9 and 13)	4,412	544	4,956
Pledged bank deposits (Note 14)	21,963	—	21,963
Cash and cash equivalents (Note 14)	139,490	—	139,490
Total	532,164	544	532,708
September 30, 2011			
Trade receivables (Note 12)	522,794	—	522,794
Other receivables	24,290	—	24,290
Due from related companies (Note 10)	4,708	—	4,708
Capital guaranteed fund and derivative financial instruments (Notes 9 and 13)	4,446	343	4,789
Pledged bank deposits (Note 14)	21,531	—	21,531
Cash and cash equivalents (Note 14)	111,352	—	111,352
Total	689,121	343	689,464
September 30, 2012			
Trade receivables (Note 12)	813,637	—	813,637
Other receivables	19,314	—	19,314
Due from related companies (Note 10)	7,938	—	7,938
Capital guaranteed fund and derivative financial instruments (Notes 9 and 13)	4,482	474	4,956
Pledged bank deposits (Note 14)	21,531	—	21,531
Cash and cash equivalents (Note 14)	143,303	—	143,303
Total	1,010,205	474	1,010,679

	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Total
	HK$'000	HK$'000	HK$'000
Liabilities as per combined balance sheets			
September 30, 2010			
Trade payables (Note 18)	—	17,248	17,248
Other payables and accrued charges (Note 18)	—	76,665	76,665
Due to a director (Note 10)	—	8,486	8,486
Derivative financial instruments (Note 13)	21,830	—	21,830
Borrowings (Note 16)	—	279,408	279,408
Obligations under finance leases (Note 17)	—	5,778	5,778
Dividend payable	—	836	836
Total	21,830	388,421	410,251
September 30, 2011			
Trade payables (Note 18)	—	36,361	36,361
Other payables and accrued charges (Note 18)	—	111,735	111,735
Borrowings (Note 16)	—	314,451	314,451
Obligations under finance leases (Note 17)	—	1,875	1,875
Total	—	464,422	464,422
September 30, 2012			
Trade payables (Note 18)	—	105,067	105,067
Other payables and accrued charges (Note 18)	—	146,039	146,039
Borrowings (Note 16)	—	602,084	602,084
Obligations under finance leases (Note 17)	—	409	409
Derivative financial instruments (Note 13)	340	—	340
Dividend payable	—	86,000	86,000
Total	340	939,599	939,939

9 Capital guaranteed fund

The Group's investment in capital guaranteed fund offers the Group a fixed guaranteed capital and a variable return depending on the performance index of Hong Kong listed equity securities of the fund.

The carrying value of capital guaranteed fund is stated at amortized cost and is denominated in USD. As at September 30, 2010, 2011 and 2012, the fund matures on December 11, 2013. For accounting purpose, the capital guaranteed fund is split into a loan and receivable component and a derivative component (Note 13).

10 Due from/(to) related companies and a director

The amounts due are unsecured, interest-free and repayable on demand. The carrying amounts approximate their fair values.

11 Inventories

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Raw materials	55,470	57,498	96,906
Work-in-progress	44,590	49,938	50,996
Finished goods	32,199	80,059	60,381
Total inventories	132,259	187,495	208,283

The cost of inventories recognized as an expense and included in "cost of sales" amounted to HK$1,053,148,000, HK$1,537,065,000, and HK$1,791,608,000 for the years ended September 30, 2010, 2011 and 2012 respectively.

12 Trade receivables, prepayments, deposits and other receivables

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Trade receivables	366,520	522,900	813,637
Less: provision for impairment of receivables	(7,272)	(106)	—
Trade receivables — net	359,248	522,794	813,637

The carrying amounts of these receivables approximate their fair values. The Group's sales are mainly made on (i) cash on delivery; and (ii) credit terms of 45 to 90 days.

As at September 30, 2010, 2011 and 2012, the ageing analysis of the trade receivables based on due date was as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Current	210,033	298,019	566,812
1 - 30 days	55,394	114,073	75,569
31 - 60 days	52,886	46,251	31,502
61 - 90 days	28,206	38,609	47,912
91 - 180 days	14,477	25,172	83,344
181 days - 1 year	5,218	776	8,498
Over 1 year	306	—	—
	366,520	522,900	813,637
Less: provision for impairment of receivables	(7,272)	(106)	—
	359,248	522,794	813,637

As at September 30, 2010, 2011 and 2012, the ageing analysis of the trade receivables based on invoice date was as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
1 - 30 days	133,657	145,006	242,850
31 - 60 days	69,659	157,296	211,830
61 - 90 days	34,074	67,800	134,696
91 - 180 days	114,166	132,274	133,624
181 days - 1 year	7,692	20,418	90,637
Over 1 year	—	—	—
Trade receivables — net	359,248	522,794	813,637

As at September 30, 2010, 2011 and 2012, receivables of HK$210,033,000, HK$298,019,000 and HK$566,812,000 were neither past due nor impaired. These receivables relate to customers for whom there is no recent history of default.

As at September 30, 2010, 2011 and 2012, trade receivables of HK$149,215,000, HK$224,775,000 and HK$246,825,000 were past due but not impaired. These relate to a number of independent customers that have a good track record of payment with the Group. An impairment provision of HK$7,272,000 and HK$106,000 was made as at September 30, 2010, 2011 respectively. No impairment provision was made as at September 30, 2012. The individually impaired receivables mainly relate to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered.

Certain subsidiaries of the Group pledged trade receivables balances amounting to HK$40,549,000, HK$22,962,000 and HK$212,523,000 to bank in exchange for cash as at September 30, 2010, 2011 and 2012 respectively. The transactions have been accounted for as collateralised borrowings (Note 16).

On January 20, 2010, the Group entered into deeds of debentures (the "Debentures") with certain customers in Australia (the "Customers") under which the Customers agreed to pledge certain assets, including but not limited to properties and receivables, to the Group as a security for the payment of purchases from the Group.

In July 2010, the Customers wrote to the Group requesting the release of the Debentures on the ground that the trade receivables on the date of the execution of the Debentures had been repaid in July 2010. The Group has confirmed to the Customers on the settlement of the trade receivables and that the Debentures should be considered released as of July 2010.

All trade receivables were non-interest-bearing except for the overdue trade receivables of HK$68,240,000 and HK$101,737,000 as at September 30, 2010 and 2011, respectively, which carried interest at the Indicator Lending Rate of Reserve Bank of Australia. All trade receivables were non-interest-bearing as at September 30, 2012. The Group has agreed not to charge interest of HK$4,685,000 and HK$3,848,000 on certain overdue trade receivables for the period from January 1, 2011 to September 30, 2011 and for the period from October 1, 2011 to September 30, 2012 respectively.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
AUD	266,893	292,370	366,703
RMB	60,156	66,014	176,513
USD	26,691	131,852	262,182
HK$	5,508	32,558	8,239
	359,248	522,794	813,637

The movements in the provision for impairment of receivables are as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
At beginning of the year	4,146	7,272	106
Provision for impairment of receivables (Note 19)	7,272	106	—
Receivables written off as uncollectible	(4,146)	(1,491)	(106)
Provision written back (Note 19)	—	(5,781)	—
At end of the year	7,272	106	—

The creation and release of provision for impaired receivables have been included in "administrative expenses" in the combined statements of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the reporting date is the carrying value of receivables mentioned above.

As at September 30, 2010, 2011 and 2012, breakdown of prepayments, deposits and other receivables was as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Prepayment to suppliers for purchases of materials	61,899	61,154	85,761
Others	3,107	28,071	26,935
	65,006	89,225	112,696

13 Derivative financial instruments

Assets

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Non-current portion			
Equity-index embedded derivative (Note a)	544	343	474

Liabilities

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Current portion			
Foreign exchange forward contracts — held for trading (Note b)	(21,830)	—	(340)

(a) Equity-index embedded derivative

The fair value of derivative is classified as a current or non-current asset in accordance with the remaining maturity of the capital guaranteed fund (Note 9).

For the years ended September 30, 2010, 2011 and 2012, a fair value gain of HK$422,000, a loss of HK$201,000 and a gain of HK$131,000 was recognized as "other gains/(losses) — net" in the combined statements of comprehensive income respectively.

(b) Foreign exchange forward contracts

Trading derivatives are classified as current assets or current liabilities. The foreign exchange forward contracts were to sell AUD and buy USD or HK$ and the notional principal amounts of the outstanding foreign exchange forward contracts as at September 30, 2010 and 2012 were AUD60,000,000 and AUD13,000,000 respectively. There were no outstanding foreign exchange forward contracts as at September 30, 2011. For the years ended September 30, 2010, 2011 and 2012, a loss of HK$19,292,000, HK$22,682,000, and HK$476,000 due to the change in fair value during the years was recognized as "other gains/(losses) — net" in the combined statements of comprehensive income respectively.

14 Cash and cash equivalents and pledged bank deposits

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Cash in hand	190	349	2,251
Cash at bank	139,300	111,003	141,052
Cash and cash equivalents	139,490	111,352	143,303
Pledged bank deposits — Current	21,963	21,531	21,531
	161,453	132,883	164,834
Maximum exposure to credit risk	161,263	132,534	162,583

As at September 30, 2010, 2011 and 2012, bank deposits pledged as securities for the Group's banking facilities (Note 16) amounted to HK$21,963,000, HK$21,531,000 and HK$21,531,000 respectively.

As at September 30, 2010, 2011 and 2012, the effective interest rate on short-term bank deposits was 0.69%, 0.64% and 0.81% per annum respectively. These deposits have an average maturity of 77 days, 30 days and 30 days respectively.

The cash at bank and in hand and bank deposits are denominated in the following currencies:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
HK$	103,227	81,526	62,926
AUD	6,451	8,455	4,605
RMB	24,799	26,970	38,652
USD	26,952	15,309	58,630
Canadian dollars	7	600	3
Macau patacas	17	23	18
	161,453	132,883	164,834

15 Combined capital and issued share capital of the Company

Combined capital

Combined capital during the Relevant Periods represented the combined share capital of the companies now comprising the Group after elimination of inter-company investments.

Issued share capital

The Company was incorporated in the Cayman Islands on October 7, 2005 with an authorized share capital of HK$380,000 divided into 3,800,000 shares of HK$0.1 each. On the same date, the Company issued and allotted 1 share to the Controlling Shareholder.

16 Borrowings

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Current			
Collateralised borrowings (Note 12)	40,549	22,962	176,581
Trust receipt loans	6,289	5,419	5,886
Term loans	232,570	286,070	419,617
	279,408	314,451	602,084

As at September 30, 2010, 2011 and 2012, the effective interest rate of the borrowings was 5.5%, 7.24% and 5.59% per annum respectively.

The interest-bearing bank borrowings, including the term loans repayable on demand, are carried at amortized cost. None of the portion of term loans due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

As at September 30, 2010, 2011 and 2012, the scheduled repayment dates of the Group's bank borrowings, as set out in the loan agreements and without considering the effect of any repayment on demand clause, were as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Within 1 year	229,457	298,342	463,117
Between 1 and 2 years	41,551	14,567	54,378
Between 2 and 5 years	8,400	1,542	84,589
	279,408	314,451	602,084

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
6 months or less	279,408	314,451	602,084

The Group's bank borrowings carry interest at floating rates and their carrying amounts approximate their fair values.

The carrying amounts of the borrowings are denominated in the following currencies:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
RMB	204,546	254,061	221,403
HK$	29,346	32,009	202,193
USD	4,967	5,419	145,677
AUD	40,549	22,962	32,811
	279,408	314,451	602,084

The Group has the following undrawn borrowing facilities:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Floating rate			
— expiring within one year	156,884	229,642	142,441

The facilities expiring within one year are annual facilities subject to review at various dates during the Relevant Periods.

During the Relevant Periods, the Group's banking facilities were secured by the following:

(i) Pledge of all assets of the companies now comprising the Group with a bank as a continuing security for banking facilities granted to the companies now comprising the Group;

(ii) Pledge of the Group's bank deposits of HK$21,963,000, HK$21,531,000 and HK$21,531,000 as at September 30, 2010, 2011 and 2012 respectively and the Group's capital guaranteed fund and derivative financial instruments of HK$4,956,000, HK$4,789,000 and HK$4,956,000 as at the same dates respectively;

(iii) Pledge of the Group's land use rights and buildings with total net book value of HK$37,731,000, HK$37,599,000 and HK$38,483,000 as at September 30, 2010, 2011 and 2012 respectively;

(iv) Personal life insurance policies with insured sum of approximately HK$153,400,000, HK$140,400,000 and HK$140,400,000 covering Mr. Marcus Pan, a director, as at September 30, 2010, 2011 and 2012 respectively. The security over some of such personal life insurance policies covering Mr. Marcus Pan, with insured sum of HK$60,840,000, is to be released before listing of the Company;

(v) A personal guarantee granted by Mr. Marcus Pan, a director, to the extent of HK$580,000,000, HK$795,000,000 and HK$945,200,000 as at September 30, 2010, 2011 and 2012 respectively. The said guarantee given by Mr. Marcus Pan is to be released and replaced by guarantees of the Company before listing of the Company; and

(vi) Legally notarized livranca (i.e. a promissory note) for HK$180 million, HK$270 million and HK$345 million signed by a subsidiary of the Group, OPAL (Macao Commercial Offshore) Limited, together with a letter of authority to insert the maturity date at bank's option as at September 30, 2010, 2011 and 2012 respectively.

All of the banking facilities are subject to the fulfillment of covenants relating to certain of the group companies' balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the group companies were to breach the covenants, the drawn down facilities would become repayable on demand. In addition, the group companies' term loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the group companies have complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, which is up to date with the scheduled repayments of the term loans and does not consider it is probable that the bank will exercise its discretion to demand repayment for so long as the group companies continue to meet these requirements. Further details of the Group's management of liquidity risk are set out in Note 3. During the Relevant Periods, none of the covenants relating to drawn down facilities had been breached.

17 Obligations under finance leases

As at September 30, 2010, 2011 and 2012, the Group's finance lease liabilities were repayable as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Within one year	4,053	1,533	414
In the second to fifth year	2,005	414	—
	6,058	1,947	414
Future finance charges on finance leases	(280)	(72)	(5)
Present value of finance lease liabilities	5,778	1,875	409

The present value of finance lease liabilities is as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Within one year	3,846	1,466	409
In the second to fifth year	1,932	409	—
	5,778	1,875	409

The carrying amount of the finance lease liabilities approximates their fair values. The Group has leased property, plant and equipment under finance leases with net book value of HK$10,345,000, HK$3,010,000 and HK$2,091,000 as at September 30, 2010, 2011 and 2012 respectively.

18 Trade payables, other payables and accrued charges

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Trade payables	17,248	36,361	105,067
Deposits received	28,309	51,003	32,893
Accrued employee benefit expenses	16,383	20,738	23,370
Accrued freight charges	5,114	9,058	9,671
Accrued interest expenses	1,667	3,326	3,355
Accrued utilities expenses	3,995	5,102	7,512
Accrued rental expenses	1,068	1,701	1,713
Accrued audit fee	4,405	3,500	4,555
Provision for sales rebate to customers	2,128	6,290	11,300
VAT payable	6,083	205	477
Payable for purchase of property, plant and equipment	4,885	7,917	33,116
Goods and service tax payable	40	—	—
Other payables and accruals	2,588	2,895	18,077
Other payables and accrued charges	76,665	111,735	146,039
Trade payables, other payables and accrued charges	93,913	148,096	251,106

As at September 30, 2010, 2011 and 2012, the ageing analysis of the trade payables based on invoice date was as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
0 - 30 days	8,956	17,051	75,029
31 - 60 days	4,105	9,865	21,983
61 - 90 days	1,965	3,968	4,961
Over 90 days	2,222	5,477	3,094
	17,248	36,361	105,067

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
AUD	1,272	765	1,206
RMB	14,913	33,747	92,013
USD	728	1,536	11,535
HK$	335	313	313
	17,248	36,361	105,067

19 Expenses by nature

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Auditor's remuneration			
— current year	3,229	3,500	3,855
— under-provision for prior years	125	126	—
Operating leases — land and buildings	4,127	1,547	2,622
Changes in inventories of finished goods and work in progress	51,043	(53,208)	18,620
Raw materials and consumables used	904,847	1,469,201	1,545,886
(Gain)/loss on disposal of property, plant and equipment	(33)	14,737	1,761
Employee benefit expenses (Note 20)	97,389	114,641	203,121
Depreciation:			
Owned property, plant and equipment (Note 6)	18,485	25,034	48,823
Leased property, plant and equipment (Note 6)	3,503	2,253	920
Provision for impairment of receivables (Note 12)	7,272	106	—
Write-back of provision for impairment of receivables (Note 12)	—	(5,781)	—
Bad debts written off	4,853	65	15
Transportation expenses	61,970	45,110	56,375
Tariff expenses	10,370	—	—
Amortization of land use rights (Note 7)	261	285	292
Legal and professional fees	5,981	2,758	28,410
Research and development costs	7,179	4,297	6,366
Utilities	35,047	43,141	62,089
Other expenses	55,080	89,652	84,292
Total cost of sales, distribution and selling expenses and administrative expenses	1,270,728	1,757,464	2,063,447

20 Employee benefit expenses (including directors' emoluments)

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Wages and salaries	90,780	107,279	192,141
Pension cost — social security costs	2,465	2,497	4,111
Pension cost — defined contribution plans	695	271	571
Other benefits	3,449	4,594	6,298
	97,389	114,641	203,121

21 Directors' emoluments and five highest paid individuals

(a) Directors' emoluments

The emoluments of individual director of the Company during the Relevant Periods are set out as follows:

Year ended September 30, 2010	Fees	Salaries and allowances	Discretionary bonus	Pension	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Name of Director					
Executive Director:					
Mr. Felix Chi Kong Fung	—	2,280	—	1	2,281
Mr. Marcus Pan	—	2,073	—	12	2,085
	—	4,353	—	13	4,366

Year ended September 30, 2011	Fees	Salaries and allowances	Discretionary bonus	Pension	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Name of Director					
Executive Director:					
Mr. Felix Chi Kong Fung*	—	2,280	—	1	2,281
Mr. Marcus Pan	—	2,084	—	12	2,096
	—	4,364	—	13	4,377

Year ended September 30, 2012	Fees	Salaries and allowances	Discretionary bonus	Pension	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Name of Director					
Executive Director:					
Mr. Marcus Pan	—	2,096	—	152	2,248
	—	2,096	—	152	2,248

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the companies comprising the Group during the Relevant Periods.

No director of the Company waived any emolument during the Relevant Periods.

* Mr. Felix Chi Kong Fung resigned his position as Executive Director with effect from October 1, 2011.

(b) Five highest paid individuals

For the years ended September 30, 2010, 2011, and 2012, the five individuals whose emoluments were the highest in the Group include 2, 2 and 1, directors, respectively, whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining 3, 3 and 4 individuals are as follows:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Salaries and allowances	5,034	5,715	13,541
Pension	851	102	184
	5,885	5,817	13,725

The emoluments of these remaining individuals fell within the following emolument bands:

	Year ended September 30,		
	2010	2011	2012
Nil to HK$1,000,000	—	—	—
HK$1,000,001 to HK$1,500,000	1	—	—
HK$1,500,001 to HK$2,000,000	1	2	1
HK$2,000,001 to HK$2,500,000	1	—	1
HK$2,500,001 to HK$3,000,000	—	1	1
HK$3,000,001 to HK$3,500,000	—	—	—
HK$3,500,001 to HK$4,000,000	—	—	—
HK$4,000,001 to HK$4,500,000	—	—	—
HK$4,500,001 to HK$5,000,000	—	—	1
	3	3	4

(c) During the Relevant Periods, none of the directors of the Company and the five highest paid individuals of the Group (i) received any emolument from the Group as an inducement to join or upon joining the Group; (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emoluments.

22 Other income

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Government grant	1,368	236	138
License fee income	1,005	405	—
Forfeiture of customer deposits	—	4,406	—
Interest income on trade receivables	2,875	1,026	—
Confiscation of guarantee funds	—	—	1,417
Scrap sales	1,098	969	1,180
Others	677	773	1,278
	7,023	7,815	4,013

23 Other gains/(losses) — net

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Net exchange gains/(losses)	20,596	(22,357)	27,578
Gain on disposal of subsidiaries (Note 28(b))	3,946	—	—
Fair value loss on derivative financial instruments — foreign exchange forward contracts	(19,292)	(22,682)	(476)
Fair value gain/(loss) on derivative financial instruments — equity-index embedded derivative	422	(201)	131
	5,672	(45,240)	27,233

24 Finance income and costs

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Interest expenses:			
Interest expense on bank borrowings wholly repayable within 5 years	13,700	21,302	25,621
Interest element of finance leases	437	207	68
Finance costs	14,137	21,509	25,689
Interest income:			
Interest income on capital guaranteed fund	(11)	(34)	(36)
Interest income on bank deposits	(141)	(139)	(173)
Finance income	(152)	(173)	(209)
Finance costs — net	13,985	21,336	25,480

25 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the Relevant Periods.

The Group's operations in the PRC are subject to the PRC corporate income tax. The standard PRC corporate income tax rate is 25% during the Relevant Periods.

Pursuant to Article 12 of Decree-Law No. 58/99/M issued by the Macao Government, OPAL (Macao Commercial Offshore) Limited is exempted from Macao Complementary Tax during the Relevant Periods.

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Hong Kong profits tax			
— current year	340	5,675	740
Overseas taxation			
— current year	7,399	8,383	21,486
— under-provision in prior years	507	—	—
	8,246	14,058	22,226

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the companies comprising the Group as follows:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Profit before income tax	94,926	274,350	379,314
Tax calculated at Hong Kong profits tax rate of 16.5%	15,663	45,268	62,586
Income not subject to tax	(735)	(104)	(1,553)
Expenses not deductible for tax purposes	3,583	2,328	7,582
Effect of different tax rates of subsidiaries operating in other jurisdictions	(18,248)	(36,916)	(66,876)
Under provision in prior years	507	—	—
Utilization of previously unrecognized tax losses	(3,228)	(1,491)	—
Tax losses for which no deferred income tax asset was recognized	5,369	1,541	5,111
Other temporary differences not recognized	5,335	3,432	15,376
Income tax expense	8,246	14,058	22,226
Weighted average applicable tax rate	9%	5%	6%

The effective tax rate is lower than Hong Kong profits tax rate of 16.5% since OPAL (Macao Commercial Offshore) Limited, a subsidiary of the Company, is exempted from corporate income tax of its local tax jurisdiction during the Relevant Periods.

The changes in the weighted average applicable tax rate were mainly due to the changes in the proportion of the taxable profit/(loss) of the respective companies attributable to the Group which were subject to different applicable tax rates.

As at September 30, 2010, 2011 and 2012, the Group had unrecognized tax losses of approximately HK$39,292,000, HK$40,377,000 and HK$58,159,000 respectively to carry forward against future taxable income. The unrecognized tax losses were contributed by the Company's subsidiaries, PanAsia Aluminium Limited and Guangzhou OPLV Doors and Windows Systems Co., Ltd. The tax loss of PanAsia Aluminium Limited has no expiry date while tax losses of Guangzhou OPLV Doors and Windows Systems Co., Ltd. will expire as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
With no expiry date	9,944	—	8,943
Expiry year:			
— 2013	7,238	7,780	7,868
— 2014	9,733	10,462	10,579
— 2015	12,377	17,650	17,848
— After 2015	—	4,485	12,921
	39,292	40,377	58,159

Deferred income tax liabilities of HK$1,343,000, HK$1,735,000 and HK$2,516,000 have not been recognized as at September 30, 2010, 2011 and 2012, respectively, for the withholding tax and other taxes that would be payable on the unremitted earnings of a subsidiary in the PRC. Management is of the view that unremitted earnings totaled HK$26,866,000, HK$34,699,000 and HK$50,318,000 at September 30, 2010, 2011 and 2012, respectively, are intended for re-investment in the PRC and there is no current plan for distribution.

26 Dividends

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
First interim dividend	13,000	5,000	30,000
Second interim dividend	16,000	15,000	30,000
Third interim dividend	—	50,000	15,000
Fourth interim dividend	—	—	35,000
Fifth interim dividend	—	—	100,000
Sixth interim dividend	—	—	50,000
	29,000	70,000	260,000

The rates for dividends and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this Financial Information.

The aggregate amounts of the dividend paid during the Relevant Periods have been disclosed in the combined statements of comprehensive income in accordance with the Hong Kong Companies Ordinance.

27 Earnings per share

No earnings per share information is presented as its inclusion, for the purpose of this Financial Information, is not considered meaningful due to the Reorganization and the presentation of the results for the Relevant Periods on a combined basis as disclosed in Note 1.3 above.

28 Notes to combined statements of cash flows

(a) Cash generated from operations

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Profit before income tax	94,926	274,350	379,314
Adjustments for:			
— Fair value loss/(gain) on derivative financial instruments — foreign exchange forward contracts (non-cash portion)	22,146	(20,804)	304
— Fair value (gain)/loss on derivative financial instruments — equity-index embedded derivative (Note 23)	(422)	201	(131)
— (Gain)/loss on disposal of property, plant and equipment (Note 19)	(33)	14,737	1,761
— Depreciation of property, plant and equipment (Note 6)	21,988	27,287	49,743
— Provision for impairment of receivables (Note 12)	7,272	(5,675)	—
— Bad debts written-off	4,853	65	15
— Amortization of prepaid land use rights (Note 7)	261	285	292
— Interest expense on bank borrowings (Note 24)	13,700	21,302	25,621
— Interest element of finance leases (Note 24)	437	207	68
— Gain on disposal of subsidiaries (Note 23)	(3,946)	—	—
— Interest income on bank deposits, capital guaranteed fund and trade receivables (Notes 22 and 24)	(3,027)	(1,199)	(209)
	158,155	310,756	449,867
Changes in working capital:			
— Inventories	59,367	(55,130)	(20,788)
— Trade receivables, prepayments, deposits and other receivables	(277,775)	(184,703)	(316,062)
— Trade payables, other payables and accrued charges	172,917	54,303	77,811
— Due from related companies	419	1,797	(3,230)
— Due to a director	779	(8,486)	—
Cash generated from operations	113,862	118,537	194,509

(b) Disposal of subsidiaries

On December 30, 2009, the Group disposed of its entire equity interest in PanAsia Aluminium (Rolled Products) Pty. Ltd. at a consideration of AUD10,000 (approximately HK$70,000) to Zealweek Pty Limited and a company jointly owned by an existing director of PanAsia Group Pty. Ltd. at the time of disposal and a relative of Mr. Marcus Pan, a director.

On December 31, 2009, the Group disposed of its entire equity interests in PanAsia Group Pty. Ltd. and PanAsia Aluminum (Toronto) Inc. at a consideration of AUD300,000 (approximately HK$2,106,000) and CAD50,000 (approximately HK$371,000) respectively, to an existing director of PanAsia Group Pty. Ltd. at the time of disposal.

The total consideration of HK$2,547,000 was settled in cash.

Details of the disposed subsidiaries are as follows:

Name of disposed subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest	Principal activities and place of operations
PanAsia Aluminum (Toronto) Inc.	Canada	100 ordinary shares of CAD1 each	100% (direct)	Provision of customer services and trading of aluminum products / North America
P & O Group Pty. Ltd. (Formerly known as "PanAsia Group Pty. Ltd.")	Australia	200,000 ordinary shares of AUD1 each	100% (indirect)	Investment holdings
P & O Aluminium (Rolled Products) Pty. Ltd. (Formerly known as "PanAsia Aluminium (Rolled Products) Pty. Ltd.")	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia

Subsidiaries of P & O Group Pty. Ltd. are as follows:

Name of disposed subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest	Principal activities and place of operations
P & O Aluminium (Brisbane) Pty. Ltd. (Formerly known as "PanAsia Aluminium (Brisbane) Pty. Ltd.")	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia
PanAsia Aluminium (Townsville) Pty. Ltd.	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia
P & O Aluminium (Perth) Pty. Ltd. (Formerly known as "PanAsia Aluminium (Perth) Pty. Ltd.")	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia
P & O Aluminium (Sydney) Pty. Ltd. (Formerly known as "PanAsia Aluminium (Sydney) Pty. Ltd.")	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia
P & O Aluminium (Melbourne) Pty. Ltd. (Formerly known as "PanAsia Aluminium (Melbourne) Pty. Ltd.")	Australia	100 ordinary shares of AUD1 each	100% (indirect)	Trading of aluminum products / Australia

	Year ended September 30, 2010
	HK$'000
Details of the disposal:	
Consideration	2,547
Less: net book value of net liabilities disposed of	4,351
Add: exchange reserves transferred to combined statements of comprehensive income	(2,952)
Gain on disposal	3,946

The assets and liabilities disposed of are as follows:

	Carrying amount On December 30, 2009
	HK$'000
Plant and equipment	2,063
Cash and cash equivalents	19,090
Inventories	67,191
Trade and other receivables	120,495
Trade and other payables	(212,256)
Obligations under finance lease	(934)
Net liabilities disposed of	(4,351)
Purchase consideration	2,547
Cash and cash equivalents in subsidiaries disposed of	(19,090)
	(16,543)

In the combined statements of cash flows, cash and cash equivalents in subsidiaries disposed of comprise:

	Year ended September 30, 2010
	HK$'000
Purchase consideration received in respect of disposal of subsidiaries in May 2009	1,945
Purchase consideration received in respect of disposal of subsidiaries in December 2009	2,547
Cash and cash equivalents in subsidiaries disposed of	(19,090)
	(14,598)

(c) An analysis of changes in obligations under finance leases is as follows:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
At beginning of the year	7,885	5,778	1,875
Inception of new leases	3,206	—	—
Exchange differences	45	8	—
Disposal of a subsidiary (Note 28(b))	(934)	—	—
Cash outflows	(4,424)	(3,911)	(1,466)
At end of the year	5,778	1,875	409

29 Commitments

(a) Capital commitments

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Contracted but not provided for — Property, plant and equipment	14,450	70,469	83,614

(b) Operating lease commitments

The Group's operating lease commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	As at September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Within one year	1,523	1,367	5,792
In the second to fifth year inclusive	2,038	2,241	10,824
Over five years	11,753	12,174	—
	15,314	15,782	16,616

30 Related party transactions

Related parties refer to entities in which the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or directors or officers of the Company and its subsidiaries.

Save as disclosed elsewhere in the Financial Information, the Group had the following related party transactions during the Relevant Periods:

(i) Sales of goods

	Notes	Year ended September 30,		
		2010	2011	2012
		HK$'000	HK$'000	HK$'000
Continuing:				
Sales of aluminum extrusion materials				
Guangzhou Rongjin Curtain Wall Co., Ltd. ("Rongjin") 廣州市榮晉幕墻有限公司*	(a),(b)	17,984	19,661	33,155

* The English name of the related company incorporated in the PRC represents the best effort by management of the Company in translating its Chinese name as it does not have official English names.

Note:
(a) The company is controlled by the family members of Mr. Marcus Pan, a director of the Company.
(b) In the opinion of the directors, these transactions were entered into in the normal course of business of the Group at terms mutually agreed by the parties concerned.

(ii) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Year ended September 30,		
	2010	2011	2012
	HK$'000	HK$'000	HK$'000
Salaries, bonus and allowances	7,001	7,633	12,767
Pension	37	37	308
	7,038	7,670	13,075

(iii) Balances with related parties

Group — Due from related companies:

		As at September 30,		
	Note	2010	2011	2012
		HK$'000	HK$'000	HK$'000
Related companies				
Rongjin	(a),(b)	6,484	4,687	7,938
Forever Young Decoration Engineering Limited	(a),(c)	21	21	—
		6,505	4,708	7,938

Group—Due to related parties:

		As at September 30,		
	Note	2010	2011	2012
		HK$'000	HK$'000	HK$'000
Due to Mr. Marcus Pan, a director of the Company	(a)	(8,486)	—	—

Company:

		As at September 30,		
	Note	2010	2011	2012
		HK$'000	HK$'000	HK$'000
Due to a fellow subsidiary	(d)	322	365	395

Notes:
(a) The amounts due are unsecured, interest-free and repayable on demand.
(b) The company is controlled by family members of Mr. Marcus Pan, a director of the Company.
(c) The company was wholly owned by Shao Lidan, a then director of the Company, for the year ended September 30, 2010 and up to April 29, 2011. The company was wholly owned by Easy Star Holdings Limited, the immediate holding company of the Company from April 29, 2011 up to date.
(d) The amount due to a fellow subsidiary is interest-free, unsecured and repayable on demand.

31 Subsequent events

(1) On October 11, 2012, PanAsia BVI declared interim dividends of HK$50,000,000, among which HK$10,000,000, HK$20,000,000 and HK$20,000,000 have been paid out on January 7, 2013, January 17, 2013 and January 18, 2013, respectively.

(2) The Group has carried out and completed the Reorganization steps as described in Note 1.2 of Section II in preparation for the Listing.

Pursuant to the Reorganization, on October 12, 2012, the Company issued and allotted 999,999 ordinary shares of HK$0.1 each at par to Easy Star in exchange for the entire interests in PanAsia BVI, the then wholly owned subsidiary of Easy Star.

(3) On November 22, 2012, Chengdu Zhencheng Trading Co., Ltd, a wholly-owned subsidiary of the Company was incorporated in the PRC with registered capital of HK$10,000,000. No paid in capital has been made up to the date of this report.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to September 30, 2012. Save as disclosed elsewhere in this report, no dividend has been declared, made or paid by the Company or any of the companies now comprising the Group in respect of any period subsequent to September 30, 2012.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong