United Pacific Industries
聯 太 工 業

Stock Code: 176

Annual Report 2014

CONTENTS

CHAIRMAN'S STATEMENT

Embarking on new beginnings can often times be a challenging task, but without actions there will be no growth. During the year, United Pacific Industries Limited ("UPI") concluded the sale of 100% equity interests in Pantene Global Holdings Limited ("PGH") and Pantronics Holdings Limited ("PHL") for a total consideration of US$25 million. As a result of the disposal, UPI reflected a loss from discontinued operations of HK$228.7 million, which mainly comes from the write-down of the non-current assets of PGH of HK$170.3 million and the realisation of the accumulated exchange differences of HK$57.1 million. Despite the current tumultuous economic environment the full year revenue for the continuing operations came in an increase by 26.5%, reaching at HK$286.2 million.

Currently, UPI has substantial cash and bank balances. Going forward, our hope is to actively explore potential investments that can enhance shareholder value. The main focus will be in Asia, as we believe in the area's growth potential. We will also look across all industries where we believe can create the most value to UPI and where our expertise can be best utilised. Looking ahead to 2015, Management is excited to continue our focus of creating value for our shareholders and increasing company profitability.

Mr. David Howard Clarke, Mr. Simon Hsu Nai-Cheng, Mr. Patrick John Dyson, Mr. Robert Barry Machinist and Mr. Ramon Sy Pascual, resigned from the UPI board during the year. Mr. Henry Woon-Hoe Lim resigned from the UPI board and as Chief Executive Officer with effect from 1 October, 2014. The new board of UPI is extremely thankful for the assistance that these gentlemen provided to UPI throughout the years. Their contributions and hard work had helped to ensure a good foundation for UPI to build on and expand in future.

Lastly, we would like to welcome Mr. Sun Jih-Hui as a non-executive director to our board. Mr. Sun has extensive knowledge in the funeral service industry in Taiwan and his career within that industry spans nineteen years. We believe he will add great value to our management in current Yuji investment.

Dato' Choo Chuo Siong
Chairman
8 December 2014

THE BOARD ROOM

As at the date of this Annual Report, the biographical details of directors of the Company are as follows:-

EXECUTIVE DIRECTOR

Kelly Lee

Ms. Lee, aged 29, was appointed as a Non-executive Director in May 2013, re-designated as an Executive Director in June 2013, appointed as Chief Executive Officer of the Company in October 2014, and appointed as Deputy Chairman in December 2014. She has experience in finance, accounting and private equity investments, including valuation and financial analysis, and financial due diligence of target companies as well as advising multinational clients on tax related matters including transfer pricing and inter-company pricing policies. Ms. Lee graduated from the Columbia Business School, USA, with an MBA degree in 2012, and obtained a Bachelor degree in Economics from the Franklin & Marshall College, USA, in 2007. Ms. Lee is deemed to be interested in 281,313,309 Shares by virtue of her being a beneficiary under a discretionary trust for the purpose of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

NON-EXECUTIVE DIRECTORS

Dato' Choo Chuo Siong

Dato' Choo, aged 49, was appointed as Non-executive Director and Chairman of the Board of the Company (the "Chairman") in September 2014. He is currently the managing director of Xiao En Group where he supervises, moderates and is the chief decision maker in the daily operations including corporate master planning. Xiao En Group is involved in memorial parks, memorial centre and bereavement care services in Malaysia. He is an advisor at the Centre of History & Contemporary Research on China-ASEAN. He has also completed several housing developments in the east coast of Peninsula Malaysia including office buildings, housing development and apartment projects in the Klang Valley and the Nilai Memorial Park in Negeri Sembilan under the Xiao En Group. He has been an independent non-executive director of Pavilion REIT Management Sdn Bhd, the manager of Pavilion Real Estate Investment Fund, a company listed on the Main Board of Bursa Malaysia Securities Berhad (Stock code: 5212) since June 2012. He also holds directorships in Nilai Memorial Park (NS) Bhd and Memorial Venture Berhad. Dato' Choo graduated with a Bachelor of Science in Economics (Honours) from London School of Economics, United Kingdom.

Sun Jih-Hui

Mr. Sun aged 43, was appointed as a Non-executive Director of the Company in August 2014. Mr. Sun has experience in the funeral service industry in Taiwan for 19 years. He served as the director and executive director of Cheng Ta Business Administration, Republic of China between 2008 and 2013 and has been the deputy managing director of such association since January 2014. He has also been the consultant of Junior Chamber International Taiwan since January 2014. He obtained an associate's degree in Administration from National Taipei College of Business (currently known as National Taipei University of Business). Mr. Sun is the beneficial owner of the entire issued share capital of Kingage International Limited ("Kingage") and is deemed to be interested in a maximum of 163,336,303 Shares to be allotted and issued to Kingage upon exercise of the conversion right attaching to the convertible bonds in full for the purpose of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Ho Ching

Dr. Wong, aged 67, has been an Independent Non-executive Director of the Company since March 1994. Dr. Wong serves as Chairman of the Nominating and Corporate Governance Committee, a member of the Audit Committee and since June 2010, a member of the Remuneration Committee. He specialises in Industrial Engineering, Technology Transfer and Corporate Management. His previous roles include council member of the City University of Hong Kong and the Chinese Mechanical Engineering Society in China. Additionally, Dr. Wong has been a consultant to the United Nations Educational, Scientific and Cultural Organisation and received a Fellow Award from the US Institute of Industrial Engineers for his professional leadership and outstanding contribution to Industrial Engineering. He had also been a member of the first Hong Kong Special Administrative Region Election Committee and a member of the first and second Hong Kong Special Administrative Region Selection Committee. Dr. Wong held a PhD in Management Engineering from Xian Jiao Tung University.

Lan Yen-Po

Mr. Lan, aged 30, was appointed as an Independent Non-executive Director of the Company in May 2013. Mr. Lan was appointed as a member of the Nominating and Corporate Governance Committee in May 2014, and a member of Audit Committee and the Remuneration Committee of the Company in September 2014. Mr. Lan has experience in private equity investments in biotechnology and medical equipment businesses. Mr. Lan is qualified to practise medicine in Taiwan in 2009 and is currently an obstetric and gynecology doctor at the Taipei Medical University Hospital. Mr. Lan is also qualified to practice law in Taiwan and is an attorney in Taiwan. In addition, he is a counsel to a private equity investment company in Taiwan. He obtained his Medical Doctorate degree from the National Taiwan University School of Medicine in 2009.

Hu Gin Ing

Ms. Hu, aged 55, was appointed as an Independent Non-executive Director, Chairman of the Audit Committee and a member of the Nominating and Corporate Governance Committee of the Company since November 2013. Ms. Hu was appointed as a member of the Remuneration Committee in May 2014 and re-designated as Chairman in September 2014. Ms. Hu has experience in media, television network and private equity investments. Ms. Hu has been a director/partner of NHL CPA Limited, Hong Kong, since January 2005. She is Global CFO of Acer Inc., a company listed on the Taiwan Stock Exchange Corporation (stock code: 2353) since May 2014, an independent non-executive director of Carnival Group International Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "HKEx") (stock code: 0996) since December 2013, and an independent non-executive director of LVGEM (China) Real Estate Investment Company Limited (formerly known as New Heritage Holdings Limited), a company listed on the main board of the HKEx (stock code: 0095) since May 2014. She is an independent non-executive director of Enterprise Development Holdings Limited, a company listed on the main board of the HKEx (stock code: 1808) since March 2011, and an independent director of Arich Enterprise Co., Ltd., a company listed on the Taiwan Stock Exchange Corporation (stock code: 4173) since December 2012. She was an independent director of Gigamedia Limited, a company listed on the NASDAQ (stock code: GIGM) from July 2003 to October 2013, an independent director of Evendata Holding Company Limited, a company which was previously listed on the Taiwan Stock Exchange Corporation, from April 2011 to May 2013 and a non-executive director of SMI Culture Group Holdings Limited, a company listed on the main board of the HKEx (stock code: 2366) from August 2013 to October 2014.

Ms. Hu obtained an MBA degree from Florida International University, the USA, a Master of Science degree from Barry University, the USA, and a Bachelor degree in Foreign Language from the National Taiwan University. Ms. Hu is a Certified Public Accountant, a member of the Hong Kong Institute of Certified Public Accountants as well as a member of the American Institute of Certified Public Accountants and has over 19 years of experience in accounting and finance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the financial year under review, the Group recorded revenue from continuing operations of approximately HK$286.2 million (2013: HK$226.3 million), representing an increase of approximately 27% as compared to last year.

Material costs were maintained at similar levels to those of the previous year, while the pace of Renminbi appreciation has eased off over the past year, resulting in more stable currency levels and alleviating the cost pressure on the Group. These macro trends, coupled with stringent cost controls exercised by the Group, have helped to improve the gross margin slightly from 13.8% to 14.5% in the current year.

The administrative expenses of the Group for the year amounted to approximately HK$37.8 million (2013: HK$25.1 million), representing an increase of 50% year on year, which was mainly attributable to the increase in legal and professional fees incurred in relation to the acquisition of the shares in an associated company and the issuance of convertible bonds during the year.

The disposal of Spear & Jackson and the Pantene divisions by selling the entire interest of Pantene Global Holdings Limited ("PGH") and Pantronics Holdings Limited ("PHL") led to a loss of HK$228.7 million from the discontinued operations during the year. The loss from discontinued operations mainly reflected an impairment write-down of the non-current assets of PGH of HK$170.3 million and the realisation of the accumulated exchange differences of HK$57.1 million. Having taken into account these one-time costs, the consolidated loss attributable to owners of the Company was HK$178.8 million, compared to a profit of HK$53.4 million in 2013.

BUSINESS REVIEW

Stepping into year 2014, the global economy has shown more signs of recovery, albeit at a modest pace. Despite the sluggish nature of the upturn, there has been a rise in consumer confidence and consumption, as reflected in our improved sales revenue during the year. Baby monitors continued to be our core product, with the US remaining our principal export market, accounting for more than 75% of our total sales.

Following the completion of the disposal of PGH and PHL on 30 May 2014, the Group was principally engaged in the manufacturing and distribution of electronic consumer products. During the year, the Group also acquired an interest in an after-life services business.

The Group has been developing a diversified business strategy such that its different business segments cater to different groups of customers in different parts of the world. This allows it to adapt and react to sudden changes in demand and to realise its full business potential in different markets, thereby diversifying the sources of risk for the Group.

The Group has continued to review its existing businesses from time to time and has striven to improve the business operation and financial position of the Group. The Group is also actively exploring potential investment opportunities in order to enhance shareholder value. In view of the uncertainty as to the economies of the US and Europe, which are important markets for the Group, the Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio into businesses with growth potential, that expand its geographical reach, broaden its source of income and further improve the financial position of the Group.

Consumer Electronics Division (Alford Industries)

Sales revenues for the year ended 30 September 2014 increased approximately 27% year on year to HK$286.2 million (2013: HK$226.3 million).

Sales to our principal customer increased in line with the overall sales growth, and three of our older product offerings realised a significant increase over the same period of the previous year. North America was still our prime market generating 75% of the sales. Europe laid in the second place with 16%.

Material costs were relatively steady during the year, and the rate of appreciation of the Renminbi has decelerated since the Chinese New Year. Labour costs and manufacturing overheads in China maintained an upward trend. Despite these challenges, management continued to mitigate cost pressure through further automation, product optimisation and process improvement. Managing our operating costs diligently and maintaining a lean company structure are key areas of focus. With such efforts, we sustain our competitive edge over our rivals.

The global economic environment remained challenging, and the competition within the electronics manufacturing industry continued to be keen with examples of bankruptcy, shrinkage, mergers and acquisitions all being evident.

During the year, product categories were expanded into the development of pet training system and monitor. Pet training series products were expanded and re-defined and were seen as routes for further sales expansion as the upturn of this niche sector and relatively less market competition expected.

Working capital management and cash control continued to be the challenges, and stringent control on material delivery from suppliers and negotiations for better payment terms were on-going. To hedge against operational threats, new hybrid outsourcing measures will be adopted with the aim of reducing labour and overhead costs.

Business Developments

In line with its diversification strategy, on 8 April 2014, the Group completed the acquisition of a 28.84% interest in Yuji Development Corporation ("Yuji"), an after-life services company based in Taiwan, at a consideration of approximately HK$95.8 million. This acquisition represents a good opportunity for the Group to diversify its existing portfolio, to broaden the Group's income source, and to tap into a higher profit margin business.

Yuji currently has three columbarium towers and one outdoor cemetery in operation. The revenue of Yuji was mainly contributed by the sale and management of columbarium units and cemetery plots in Taipei. Since the date of the acquisition, Yuji has contributed a profit of HK$9.6 million to the Group.

MATERIAL ACQUISITION AND DISPOSAL

Acquisition of interests in Yuji ("the Acquisition")

On 8 February 2014, the Group entered an acquisition agreement to acquire 28.84% interest in Yuji, an after-life services company engaged principally in the sale and management of columbarium units and cemetery plots and funeral services in Taiwan, for a purchase consideration of approximately HK$95.8 million.

Disposal of the entire interests of Pantene Global Holdings Limited and Pantronics Holdings Limited ("the Disposal")

On 8 February 2014, the Company entered into a disposal agreement to sell the entire shares of PGH, the holding company of the tools, magnetics technologies and precision measurement division, and PHL, the holding company of the contract manufacturing division, at a total consideration of US$25.0 million (equivalent to approximately HK$194.5 million).

The Acquisition and the Disposal were approved by the independent shareholders of the Company by way of poll at a special general meeting held on 1 April 2014. The Acquisition was completed on 8 April 2014 and the Disposal was completed on 30 May 2014.

CAPTIAL STRUCTURE

On 8 February 2014, the Company had entered into a subscription agreement to issue 147,428,134 ordinary shares at a subscription price of HK$0.887 per share. The proceeds of the subscription was to satisfy the consideration for the acquisition of 28.84% interests in Yuji as detailed in note 21 to the financial statements. The subscription and the acquisition of Yuji were completed on 8 April 2014.

On 15 August 2014, the Company issued a 2-year convertible bond with a principal amount of HK$77 million as detailed in note 32 to the financial statements.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

At 30 September 2014, there were no charges on the Group's assets and the Group did not have any contingent liabilities (2013: Nil).

EMPLOYEES AND REMUNERATION POLICY

At 30 September 2014, the Group employed approximately 500 employees.

The remuneration policy of such employees is determined by overall guidelines within the relevant industries. The Group has also adopted certain bonus programs, share option schemes, medical insurance and other welfare and benefits programs. The remuneration policy of the Group is reviewed regularly and is in line with the performance, qualification of individual employees and prevailing market condition.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group adopted a prudent funding and treasury policy with regard to its overall business operation. As at 30 September 2014, the Group had cash and cash equivalents of approximately HK$287.2 million (2013: HK$187.6 million). Total net cash (i.e. bank and cash balances less all bank and other debt) amounted to HK$208.1 million (2013: HK$113.6 million). Most of the bank balances were in HKD. With the cash and bank balances available, the Group has sufficient financial resources to finance its operations and to meet the financial obligations of its business.

The Group had net assets value of HK$402.3 million (2013: HK$474.6 million), and a liquidity ratio (ratio of current assets to current liabilities) of 494.7% (2013: 218.9%).

The Group had zero net gearing as at 30 September 2014 (2013: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are denominated in HKD, RMB and TWD. Considering the exchange rate between these currencies is relatively stable, the Group believed that the corresponding exposure to RMB and TWD exchange rate fluctuation was insignificant.

The Group does not undertake any derivative financial instruments or hedging instruments. The Group will constantly review the economic situation and its foreign currency risk profile, continue to actively monitor foreign exchange exposure to minimise the impact of any adverse currency movement.

OUTLOOK

In view of the many uncertainties as to the economies in the US and the competitiveness within the electronics manufacturing industries, the Group will proactively carry on its operation in a prudent manner, consolidating its strengths to minimise any impact from external factors. We will devote our efforts to developing our business, extending our product range, and actively looking for new clients to expand our market share. In anticipation of severe conditions for business operation and production, the Group will continue to manage operating costs diligently through costs savings, labour efficiency, productivity improvement and streamlining operational efficiency to drive better margin and increased earnings.

Envisioning the global trend of ageing populations, the Group believes that there is considerable growth potential in the funeral market. The Group will continue to adopt strategies to diversify its existing business portfolio into businesses with growth potential, diversified income generation, higher margins and stronger cash flows.

The disposal of the Spear & Jackson and Pantene divisions will enable the Group to significantly scale down from certain low-margin areas and eliminate the cash flow strains associated with the significant underfunded pension liability within the Spear & Jackson division. The proceeds from the disposal of US$25 million, as well as the completion of the issuance of convertible bonds in the aggregate principal amount of HK$77 million in August 2014, also form a source of funding for the Group to take advantage of any suitable investment opportunities in businesses with increased growth potential that will broaden the Group's source of income.

The Group will continually review its existing business strategy. As economy of Asia continues to grow and per capita income increases, it gives rise to many opportunities for the Group to explore. We will stay alert to capture any business opportunities that may arise during the course of Asia's development to deliver maximum returns to our shareholders.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of corporate governance practices which comply not only with the letter of the regulations, but also with the intent of the regulations, in order to enhance corporate performance and accountability. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Throughout the year ended 30 September 2014, the Company complied with all applicable code provisions of the CG Code, except for the following deviation:

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term. Under code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. Each of Mr. Ramon Sy Pascual (resigned on 15 September 2014) and Dr. Wong Ho Ching, Independent Non-Executive Director, was appointed for a one-year term until the Annual General Meeting, while other former or existing Non-executive Directors and Independent Non-executive Directors were not appointed for a specific term. However, as all Directors are subject to retirement by rotation at least once every three years at each annual general meeting and any new Director appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and they will be eligible for re-election at the annual general meeting under the Bye-Laws of the Company, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are on terms no less exacting than those in the CG Code. All Non-executive Directors and Independent Non-executive Directors have entered into a letter of appointment for a term of two years, effective from 1 October 2014.

BOARD OF DIRECTORS

As at the date of this report, the Board of the Company (the "Board") comprises six Directors, with one Executive Director, two Non-executive Directors and three Independent Non-executive Directors.

With effect from 10 October 2013, Mr. Robert Barry Machinist resigned as an Independent Non-executive Director of the Company.

With effect from 6 November 2013, Ms. Hu Gin Ing was appointed as an Independent Non-executive Director of the Company.

With effect from 30 May 2014, Mr. Simon Hsu Nai-Cheng and Mr. Patrick John Dyson resigned as Executive Directors of the Company.

With effect from 19 August 2014, Mr. Sun Jih-Hui was appointed as a Non-executive Director of the Company.

With effect from 15 September 2014, Mr. David Howard Clarke resigned as an Executive Director and Chairman of the Company and Mr. Ramon Sy Pascual resigned as an Independent Non-executive Director of the Company. On the same date, Dato' Choo Chuo Siong was appointed as a Non-executive Director and Chairman of the Company.

With effect from 1 October 2014, Mr. Henry Woon-Hoe Lim resigned as an Executive Director and Chief Executive Officer of the Company. Ms. Kelly Lee was appointed as Chief Executive Officer of the Company on the same date.

With effect from 8 December 2014, Mr. Anthony Lee resigned as a Non-executive Director of the Company. Ms. Kelly Lee was appointed as a Deputy Chairman of the Company on the same date.

All Non-executive Directors have entered into letters of appointment with the Company for a term of two years. Their terms of appointment shall be subject to retirement from office by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company. There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined. The Chairman provides leadership and strategic direction for the Board and is also responsible for chairing meetings, managing the operations of the Board, and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for running the Company's businesses and implementing the Group's strategic plans and business goals.

Appropriate directors' and officers' liability insurance had been arranged for all the Directors and Officers of the Company.

Each newly appointed director receives comprehensive, formal and tailored induction on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are also regularly updated on the Group's business and accounting reporting standard in the board meetings. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of the training they received for the year ended 30 September 2014 to the Company.

During the year, the Company Secretary, who was employee of the Company, had taken no less than 15 hours of relevant professional training requirement. A new Company Secretary was appointed on 1 November 2014, who is employee of the Company and has taken no less than 15 hours of relevant professional training requirement.

The Board has a balance of skills and experience appropriate to meet the requirements of the businesses of the Group. All Directors had separate and independent access to the advice and services of the senior management, the Chief Financial Officer and the Company Secretary, with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

During the year ended 30 September 2014, the Board met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company had received from each of its Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

The Board is satisfied that Dr. Wong Ho Ching, who has been Independent Non-executive Directors since 1994, is person of integrity and stature and is independent in character and judgment.

The Board meets regularly and Board meetings are held at least four times a year, and at other times as necessary. Where appropriate, decisions are also taken by way of circulated resolutions. The Board monitors and reviews, among others, the performance of the Group Companies, including operations, finance, internal controls and strategic issues. The principal functions of the Board are to:

- play a key role in the implementation and monitoring of internal controls, financial reporting and risk management;
- assume responsibility for corporate governance and compliance with applicable laws and regulations; and
- approve the Group's strategies, directions and financial objectives.

The overall management of the Company's business is vested in the Board. The Board reserves for its decision all major matters of the Company and it has delegated the day-to-day management, administration and operations of the Company to the Chief Executive Officer and senior management executives. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board for all material transactions entered into by senior management and other executives.

The Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

For all of the Board meetings, proper and reasonable notices, adequate and appropriate information in the form of agenda, board papers and minutes of the meetings are prepared and circulated to all the Directors in a reasonable time.

The attendance records of all the Directors for Board and Committee meetings for the year ended 30 September 2014 are set out below:

	No. of meetings attended/No. of meetings held					
Directors	**Full Board**	**Audit Committee**	**NCG Committee**	**Remuneration Committee**	**AGM**	**SGM**
Executive Directors:						
Mr. David Howard Clarke (resigned on 15 September 2014)	9/9	N/A	N/A	N/A	1/1	1/1
Mr. Simon Hsu Nai-Cheng (resigned on 30 May 2014)	4/4	N/A	1/1	1/1	1/1	1/1
Mr. Henry Woon-Hoe Lim (resigned on 1 October 2014)	10/10	N/A	N/A	N/A	1/1	1/1
Mr. Patrick John Dyson (resigned on 30 May 2014)	5/5	N/A	N/A	N/A	1/1	0/1
Ms. Kelly Lee	9/10	N/A	N/A	N/A	1/1	1/1
Non-executive Directors:						
Dato' Choo Chuo Siong (appointed on 15 September 2014)	1/1	N/A	N/A	N/A	N/A	N/A
Mr. Anthony Lee (resigned on 8 December 2014)	5/10	N/A	N/A	N/A	0/1	0/1
Mr. Sun Jih-Hui (appointed on 19 August 2014)	2/2	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors:						
Dr. Wong Ho Ching	10/10	5/5	2/2	2/2	1/1	1/1
Mr. Ramon Sy Pascual (resigned on 15 September 2014)	7/9	3/4	N/A	1/1	0/1	0/1
Mr. Robert Barry Machinist (resigned on 10 October 2013)	0/0	0/0	0/0	N/A	N/A	N/A
Mr. Lan Yen-Po	9/10	1/1	1/1	1/1	1/1	0/1
Ms. Hu Gin Ing (appointed on 6 November 2013)	9/10	5/5	2/2	1/1	1/1	0/1
Number of meetings held during the year from 1 October 2013 to 30 September 2014	**10**	**5**	**2**	**2**	**1**	**1**

AUDIT COMMITTEE

The Audit Committee was established pursuant to the Company's Bye-Laws and the Listing Rules. Its major duties are to assist the Board in fulfilling its oversight responsibilities as to the Company's financial statements, reporting, internal controls and audit findings, as well as the Company's process for monitoring compliance with certain laws and regulations.

In compliance with Rule 3.21 of the Listing Rules, the Audit Committee comprises three Non-executive Directors, all of whom are Independent Non-executive Directors (within the meaning of the Listing Rules) ("INED"). The Chairman of the Audit Committee during the year ended 30 September 2014 was Ms. Hu Gin Ing, an INED, who has appropriate experience in financial matters.

As at 30 September 2014, the composition of the Audit Committee was as follows: Ms. Hu Gin Ing (Chairman of the Audit Committee), Dr. Wong Ho Ching, and Mr. Lan Yen-Po.

Work done during the year

- reviewed interim and annual reports in accordance with the accounting policies and practices, accounting standards, listing rules and legal requirements;
- reviewed the appointment of auditors for audit and non-audit related services and their fees;
- reviewed the audit plans and findings of auditors, internal controls and financial reporting matter;
- discussed the audit approach and significant audit and accounting issues with the auditors

The Audit Committee met at least twice a year with the external auditors in the absence of the Executive Directors during the year.

REMUNERATION COMMITTEE

The Remuneration Committee advises the Board on Group compensation policy and practice with a view that a meaningful portion of management's compensation should be contingent upon financial performance of the Group in order to foster the creation of long term shareholder value. The Remuneration Committee meets at least twice per annum, and at other times as required.

The Remuneration Committee adopted the model described in code provision B.1.2(c)(i) of the CG Code.

The Committee comprises three Directors who, in the reasonable opinion of the Board, are able to exercise independent judgment in discharging their duties as a Remuneration Committee member.

As at 30 September 2014, the Remuneration Committee comprised three independent non-executive Directors, Ms. Hu Gin Ing (Chairman of the Remuneration Committee), Dr. Wong Ho Ching and Mr. Lan Yen-Po.

Work done during the year

- reviewed the remuneration policy for directors and management with reference to the Board's corporate goals and objectives;
- reviewed and determined packages of the directors with reference to their duties and responsibilities with the Company;
- reviewed and approved compensation arrangements with the resigned directors;
- ensured no director or any of his/her associate is involved in deciding his/her own remuneration

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE ("NCG COMMITTEE")

The NCG Committee oversees the composition of the Board to ensure that qualified individuals meeting the criteria of the provisions of the Listing Rules serve as members of the Board and its committees. The NCG Committee also has the responsibility to develop, recommend to the Board and oversee the implementation of corporate governance principles and policies relating to the operation of the Board and its committees and the Company as a whole.

Where vacancies on the Board exist or an additional Director is considered necessary, the NCG Committee will identify suitable candidates and propose the appointment of such candidates to the Board for consideration and the NCG Committee will take into account the qualification as required in the Listing Rules, ability, working experience, leadership and professional ethics, etc. of the candidates and approved if such appointment considered suitable.

For the year ended 30 September 2014, the NCG Committee comprised three independent non-executive Directors, Dr. Wong Ho Ching (Chairman of the NCG Committee), Ms. Hu Gin Ing and Mr. Lan Yen-Po.

Work done during the year

- reviewed the structure, size and composition of the Board, and is of the view that there is an appropriate and diverse mix of skills and experience;
- reviewed the independence of INEDs, of the Company and confirmed that all INEDs are considered independent;
- reviewed the profile and performance of Directors who will stand for re-election at annual general meeting and confirmed that all those Directors are suitable to stand for re-election;
- reviewed and assessed the composition of the Board and make recommendation to the Board on appointment of new directors of the Company;
- developed and reviewed the Company's policies and practices on corporate governance;
- reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewed the Company's compliance with the code and disclosure in the Corporate Governance Report.

During 2014, Ms. Hu Gin Ing, Mr. Sun Jih-Hui and Dato' Choo Chuo Siong were appointed as Directors. In considering the new appointments, the NCG Committee assessed the candidates on criteria such as integrity, independent mindedness, experience, skill and ability to commit time and effort to carry out his duties and responsibilities effectively etc., and made recommendations to the Board for approval.

The NCG Committee continued to monitor the board composition with regard to its diversity policy by reviewing its own size, structure and composition to ensure that the Board has a balance of ages, talents, expertise, skills, experience, culture, knowledge and gender appropriate to the requirements of the Company. The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct governing Director's securities transactions. All Directors of the Company had confirmed, following specific enquiry by the Company, that they had complied with the required standards set out in the Model Code throughout the year 2014.

INTERNAL CONTROLS

The Audit Committee assists the Board in meeting its overall responsibility for ensuring that a sound and effective system of internal controls is maintained within the Group, particularly in respect of the controls on financial, operational, compliance and risk management. The adequacy of resources, qualifications and experience of staff performing the accounting and financial reporting functions, their training programmes and budget are also the subject of review. Such a review was conducted for the year ended 30 September 2014. The internal control system is designed to ensure proper maintenance of accounting records and reliability of financial reporting, as well as compliance with relevant legislation and regulations; and aims to manage, instead of eliminate, risks of failure in achieving the Group's objectives to safeguard shareholders' investments and the Group's assets, in recognition that risk-taking is an inherent aspect of business operations.

During the year, the Board, through the Audit Committee, reviewed with the Chief Financial Officer the effectiveness of internal controls and key findings, and received confirmation from the Company Secretary on the Group's compliance with regulatory requirements. The Audit Committee communicates any material issues to the Board. These reviews and reports were taken into consideration by the Audit Committee in making its recommendation to the Board for approval of the audited consolidated financial statements of the Group for the year.

AUDITOR'S REMUNERATION

The Company's principal auditor is BDO Limited. The remuneration paid and payable to BDO Limited and its affiliated firms in respect of audit services and non-audit services for the year ended 30 September 2014 amounted to approximately HK$2,232,000 and HK$482,000, respectively.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

All Directors acknowledge their responsibility for preparing the accounts for the year ended 30 September 2014. The auditor of the Company acknowledges its reporting responsibilities on the financial statements for the year ended 30 September 2014 as set out in the Independent Auditor's Report on pages 24 and 25.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to ensure that the Group complies with disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information issued by the Company. Information regularly provided to the shareholders includes annual and interim reports, circulars and announcements in accordance with the Listing Rules.

The Company welcomes the attendance of shareholders at general meetings to express their views. All the Directors are encouraged to attend the general meetings to have personal communication with shareholders. The external auditor is also required to be present to assist the Directors in addressing any relevant queries by shareholders.

The Chairman of the Company and chairmen and/or members of audit, remuneration and nominating and corporate governance committees and representative of BDO Limited, the external auditor of the Company, attended the annual general meeting held on 12 February 2014. A member of independent board committee attended a special general meeting of the Company held on 1 April 2014 in which approving, inter alia, a connected transaction. All these persons were available to answer questions at these general meetings.

For both institutional and retail investors, the Company's website at www.upi.com.hk, as well as a third-party hosted website at www.irasia.com/listco/hk/upi, provide up-to-date information of the Group. All key information such as announcements, annual and interim reports and circulars can be downloaded from these websites.

SHAREHOLDERS' RIGHTS

(i) Procedures by which Shareholders can convene a Special General Meeting ("SGM")

The Board shall, on the requisition in writing of the shareholders of not less than one-tenth of the paid-up capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene a SGM.

The requisition must state the purpose of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company with a copy to the Company's head office and principal place of business in Hong Kong at Unit 503C, 5/F Golden Centre, 188 Des Voeux Road Central, Hong Kong, for the attention of the Company Secretary.

If within twenty-one days of such deposit the Board fails to proceed to convene the SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after three months from the date of the original deposit.

(ii) Procedures for putting forward proposals at General Meetings ("GM")

Shareholders can submit a written requisition to move a resolution at GM. The number of shareholders shall represent not less than one-twentieth of the total voting rights of all shareholders having, at the date of the requisition, a right to vote at the GM, or who are no less than 100 shareholders.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the GM. It must also be signed by all of the shareholders concerned and be deposited at the Company's head office and principal place of business in Hong Kong at Unit 503C, 5/F Golden Centre, 188 Des Voeux Road Central, Hong Kong, for the attention of the Company Secretary not less than six weeks before the GM in case of a requisition requiring notice of a resolution and not less than one week before the GM in case of any other requisition.

The shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned under applicable laws and rules.

(iii) Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the company's registrar. Shareholders and the investment community may at any time make a request for information on the Company to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing to the Company Secretary at the Company's head office and principal place of business in Hong Kong at Unit 503C, 5/F Golden Centre, 188 Des Voeux Road Central, Hong Kong.

CONSTITUTIONAL DOCUMENTS

During the year, there was no change in the Company's memorandum of association and Bye-Laws.

DIRECTORS' REPORT

The Board of Directors (the "Directors") is pleased to present its report and the audited consolidated financial statements for the year ended 30 September 2014.

PRINCIPAL ACTIVITIES

United Pacific Industries Limited ("United Pacific Industries", "UPI" or the "Company") is a diversified investment holding company. The activities of its principal subsidiaries are set out in note 20 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2014 are set out in the consolidated statement of profit or loss on page 26 and the accompanying notes to the consolidated financial statements.

FINANCIAL SUMMARY

A financial summary of the Group for five financial years is set out on pages 130 and 131.

SHARE CAPITAL

Details of the Company's share capital as at 30 September 2014 are set out in note 35 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 32.

At 30 September 2014, the Company's reserves, for distribution purposes, showed a surplus of HK$73,048,000 comprising retained profits of HK$2,137,000 and a contribution surplus of HK$70,911,000.

Under the Companies Act 1981 of Bermuda (as may be amended from time to time), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors:

Ms. Kelly Lee
Mr. David Howard Clarke (resigned and effective on 15 September 2014)
Mr. Simon Hsu Nai-Cheng (resigned and effective on 30 May 2014)
Mr. Henry Woon-Hoe Lim (resigned and effective on 1 October 2014)
Mr. Patrick John Dyson (resigned and effective on 30 May 2014)

Non-executive Directors:

Dato' Choo Chuo Siong (appointed and effective on 15 September 2014)
Mr. Sun Jih-Hui (appointed and effective on 19 August 2014)
Mr. Anthony Lee (resigned and effective on 8 December 2014)

Independent Non-executive Directors:

Dr. Wong Ho Ching
Mr. Lan Yen-Po
Ms. Hu Gin Ing (appointed and effective on 6 November 2013)
Mr. Robert Barry Machinist (resigned and effective on 10 October 2013)
Mr. Ramon Sy Pascual (resigned and effective on 15 September 2014)

In accordance with Bye-Law 111(A) and 111(B) of the Company's Bye-Laws and Code Provision A.4.2 of the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Ms. Kelly Lee and Dr. Wong Ho Ching ("Dr. Wong") will retire as Directors at the forthcoming Annual General Meeting ("AGM"). All of them, being eligible, will offer themselves for re-election.

In accordance with Bye-Law 115 of the Company's Bye-Laws, Dato' Choo Chuo Siong, and Mr. Sun Jih-Hui hold office until the forthcoming AGM. All of them, being eligible, will offer themselves for re-election. All other Directors will continue in office.

Dr. Wong, who was re-elected as an Independent Non-executive Director at the last AGM for a one year term until the next AGM, will retire at the AGM, and being eligible, offers himself for re-election pursuant to Bye-Law 111(A) of the Company's Bye-Laws. As Dr. Wong has been an Independent Non-executive Director since 1994, the re-election of Dr. Wong is subject to a separate resolution to be approved by the shareholders in compliance with Code Provision A.4.3 of the CG Code. Notwithstanding that Dr. Wong has served the Company continuously since 1994, the Board is satisfied that Dr. Wong is a person of integrity and stature and independent in character and judgment. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgment. Consequently, the Board recommends the re-election of Dr. Wong as an Independent Non-executive Director at the AGM.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

All Directors are subject to retirement by rotation as required by the Company's Bye-Laws.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

On 8 February 2014, Rise Up International Limited, a wholly owned subsidiary of the Company, entered into an acquisition agreement to acquire approximately 28.84% of the total issued share capital of Yuji, a company indirectly owned by an associate of Ms. Kelly Lee, the Director of the Company. The acquisition, settled by the Company's shares valued at HK$95.8 million, was completed on 8 April 2014.

On 8 February 2014, the Company entered into a disposal agreement with two purchasers, both wholly owned by Mr. Simon Hsu Nai-Cheng, the former Director of the Company, to dispose of its entire interests in Pantronics Holdings Limited and Pantene Global Holdings Limited at a total consideration of US$25 million. The completion of the disposal took place on 30 May 2014.

On 19 August 2014, Alford Industries Limited ("Alford"), a wholly owned subsidiary of the Company, entered into a management agreement with Grace Harvest Corporation Limited ("Grace Harvest"), a company directly wholly owned by Mr. Simon Hsu Nai-Cheng, the former Director of the Company who resigned within a period of twelve months from the date of the aforesaid management agreement, to manage the business of Alford from time to time for a term of three years commencing from October 1, 2014. The annual caps of the management fee payable by Alford to Grace Harvest for each of the three financial years ended 30 September 2015, 30 September 2016 and 30 September 2017, were set at HK$10 million each as disclosed in the Company's announcement dated 19 August 2014.

Other than disclosed as above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or former Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2014, the interests of the Directors of the Company and their associates in the shares, underlying shares comprised in options and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "HKEx") pursuant to divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the HKEx, were as follows:

Long Positions

(a) *Ordinary shares of HK$0.10 each of the Company*

Name of directors	Capacity/Nature of interest	Number of ordinary shares held	Number of underlying shares held	Percentage interest in the Company's issued share capital as at 30 September 2014
Mr. Sun Jih-Hui[1]	Interests in controlled corporation /Corporate interest	–	163,336,303	14.14%
Mr. Henry Woon-Hoe Lim[2]	Beneficial owner/Personal interest	1,026,000	–	0.09%
Ms. Kelly Lee[3]	Beneficiary of a trust/ Other interest	281,313,309	–	24.36%

Notes :

1. The interests in 163,336,303 shares represents interest in underlying shares in the form of convertible bonds due 2016 at nominal value of HK$77,000,000 and held by Kingage International Limited ("Kingage"). Mr. Sun Jih-Hui holds 100% direct interest in Kingage.

2. Mr. Henry Woon-Hoe Lim resigned as Executive Director of the Company with effect from 1 October 2014.

3. For the purpose of Part XV of the SFO, Ms. Kelly Lee is deemed to be interested in 281,313,309 shares by virtue of her being a beneficiary of a discretionary trust.

(b) *Share options of the Company*

Name of director	Capacity/Nature of interest	Number of options held	Percentage interest in the Company's issued share capital as at 30 September 2014
Mr. Henry Woon-Hoe Lim[4]	Beneficial owner/Personal interest	3,000,000	0.26%

4. Mr. Henry Woon-Hoe Lim resigned as Executive Director of the Company with effect from 1 October 2014. Details of the share option held by Mr. Henry Woon-Hoe Lim are set out in the section head "Share Options and Directors' Rights to Acquire Shares or Debentures" below.

Other than as disclosed above, and except for nominee shares in certain subsidiaries held in trust for the Group at 30 September 2014, neither the Directors nor any of their associates, had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2014, the interests or short positions of those persons (other than Directors whose interests disclosed above) in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO were as follows:

Long Positions

(a) Ordinary shares of HK$0.10 each of the Company

Name of shareholders	Capacity/Nature of Interest	Number of ordinary shares held	Number of underlying shares held	Percentage interest in the Company's issued share capital as at 30 September 2014
Best Service Holdings Limited ("Best Service")	Beneficial owner/Beneficial interest	281,313,309	–	24.36%
Ever Team Global Limited ("Ever Team")[1]	Interests in controlled corporation/ Corporate interest	281,313,309	–	24.36%
The Goldenlife PTC Limited ("Goldenlife")[2]	Interests in controlled corporation/ Other interest	281,313,309	–	24.36%
Kingage[3]	Beneficial owner/Beneficial interest	–	163,336,303	14.14%
Mr. Sun Jih-Hui[4]	Interests in controlled corporation/ Corporate interest	–	163,336,303	14.14%
Ms. Chou Chi-Chin[5]	Interests in spouse/Family interest	–	163,336,303	14.14%

Notes :

1. Ever Team holds 100% direct interest in Best Service and is accordingly deemed to have an interest in the shares interested by Best Service for the purpose of Part XV of the SFO.

2. The Goldenlife, as trustee of a discretionary trust, holds 100% direct interest in Ever Team and is accordingly deemed to have interest in the shares interested by or deemed to be interested by Ever Team for the purpose of Part XV of the SFO. Mr. Lee Shih-Tsung is the founder of the discretionary trust. Ms. Kelly Lee is deemed to be interested in 281,313,309 shares by virtue of her being a beneficiary of the discretionary trust.

3. The interest in 163,336,303 shares represents the underlying shares in the form of convertible bonds due 2016 at nominal value of HK$77,000,000 and are held directly by Kingage.

4. Mr. Sun Jih-Hui holds 100% direct interest in Kingage and is accordingly deemed to have interest in the shares interested by Kingage for the purpose of Part XV of the SFO.

5. Ms. Chou Chi-Chin, being the spouse of Mr. Sun Jih-Hui, and is accordingly deemed to have interest in the shares interested by or deemed to be interested by Mr. Sun Jih-Hui for the purpose of Part XV of the SFO.

SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

(a) Pursuant to a special general meeting of the Company held in April 1994, the Company adopted an executives' share option scheme (the "1994 Scheme") for the primary purpose of providing incentives to the Executive Directors and eligible employees of the Company and its subsidiaries. According to the 1994 Scheme, the Board of Directors of the Company is authorised, at any time within ten years after the adoption date of the 1994 Scheme, to grant options to eligible participants to subscribe for shares in the Company at a subscription price equal to the higher of the nominal value of the shares and an amount, to be determined by a committee administering the 1994 Scheme, which is not less than 80% of the average of the closing prices of the shares on the HKEx on the five trading days immediately preceding the date of the options are offered to the participants. The 1994 Scheme expired in April 2014.

All the options granted have vested and exercised. No options were cancelled or lapsed under the 1994 Scheme during the year.

(b) At a special general meeting of the Company held on 30 August 2004, a new share option scheme was adopted (the "2004 Scheme"). The 2004 Scheme has a life of ten years and the Board is authorised to grant options to eligible Executive Directors and employees of the Company and its subsidiaries (the "Group"), to subscribe for shares in the Company. The number of underlying shares available under the 2004 Scheme shall not, in aggregate, exceed 5% of the issued shares as at 30 August 2004 (the "Stock Limit"). The Stock Limit was refreshed at the AGM held on 28 July 2006. Following capital changes in 2008 and 2009 and the subsequent exercise and grant of share options, the number of options available for future grants is 21,531,217, which represents approximately 1.85% of the Company's shares in issue as at the date of the Annual Report.

The exercise price of the options shall be determined by a committee administering the 2004 Scheme, and shall fall within the following prescribed parameters: they should not be less than (i) the par value of the shares, (ii) the closing price of the shares on the date of grant which must be a business day, and (iii) the average closing price of the shares for five consecutive trading days immediately preceding the date of grant.

The details of the exercise price and number of options outstanding during the year which have been granted to the Directors of the Company and employees of the Group under the 2004 Scheme, adjusted for capital changes in 2008 and 2009, are as follows:

Name	Date of Grant	Exercise Price per share HK$	Outstanding at 1.10.2013	Exercised during the year	Lapsed during the year	Outstanding at 30.9.2014
Mr. David Howard Clarke	18.6.2012	0.313	6,000,000	(6,000,000)	–	–
Mr. Simon Hsu Nai-Cheng	18.6.2012	0.313	4,500,000	–	–	4,500,000
Mr. Henry Woon-Hoe Lim	18.6.2012	0.313	3,000,000	–	–	3,000,000
			13,5000,000	(6,000,000)	–	7,5000,000

The options granted on 18 June 2012 are subject to vesting in 3 equal tranches on the first, second and third anniversary of the date of the grant and will be fully vested on 17 June 2015. The options granted are exercisable subject to the vesting conditions for a period not exceeding ten years up to 17 June 2022.

In view of the contribution of the grantees to the Company, on 10 April 2014, in accordance with the provisions of the 2004 Scheme, the board of directors, at its discretion, determined to allow Mr. David Howard Clarke, Mr. Simon Hsu Nai-Cheng and Mr. Henry Woon-Hoe Lim to exercise the whole of unexercised options and the unvested options to which they are entitled within twelve months commencing on the date of resignation of their office as Directors, and upon expiry of such period, the options granted to them shall lapse.

For details of the above share option schemes, please refer to note 36 to the consolidated financial statements.

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the Directors, or their spouses and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws in Bermuda.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

For the year under review, sales to the largest customer and the five major customers accounted for 22% and 24%, respectively, of total revenues for the year.

Purchases from the largest supplier and the five largest suppliers accounted for 5% and 11%, respectively, of total purchases for the year.

As far as the Directors are aware, none of the Directors of the Company, their associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the customers or suppliers of the Company disclosed above other than portfolio interests.

EMOLUMENT POLICY

The emolument policy of Group employees is set by the Remuneration Committee on the basis of the employees' merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 36 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company throughout the year under review up to the date of this Annual Report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practice as adopted by the Company is set out in the Corporate Governance Report on pages 9 to 15.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors to be independent.

AUDITOR

The consolidated financial statements for the year have been audited by BDO Limited which will retire and being eligible, offer themselves for reappointment at the forthcoming AGM.

On behalf of the Board

DATO' CHOO CHUO SIONG
CHAIRMAN
Hong Kong, 8 December 2014

INDEPENDENT AUDITOR'S REPORT

BDO

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF UNITED PACIFIC INDUSTRIES LIMITED
(incorporated in the Bermuda with limited liability)

We have audited the consolidated financial statements of United Pacific Industries Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 26 to 129, which comprise the consolidated and company statements of financial position as at 30 September 2014, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2014 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants

Li Pak Ki
Practising Certificate Number P01330
Hong Kong, 8 December 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2014

	Note	2014 HK$'000	2013 HK$'000 (restated)
Continuing operations			
Revenue	5	**286,249**	226,282
Cost of sales		**(244,786)**	(195,072)
Gross profit		**41,463**	31,210
Other income	6	**61,033**	716
Interest income	7	**87**	122
Selling and distribution costs		**(12,106)**	(9,936)
Administrative costs		**(37,754)**	(25,149)
Finance costs	9	**(814)**	(625)
Share of results of an associate	21	**9,583**	—
Profit/(loss) before tax	10	**61,492**	(3,662)
Income tax charge	12	**(11,581)**	(2,529)
Profit/(loss) for the year from continuing operations		**49,911**	(6,191)
Discontinued operations			
Net results from discontinued operations	41	**(228,670)**	59,567
(Loss)/profit for the year		**(178,759)**	53,376
Attributable to owners of the Company		**(178,759)**	53,376
(Loss)/earnings per share from continuing and discontinued operations	15		
Basic		**(16.78) cents**	5.42 cents
Diluted		**(16.31) cents**	5.42 cents
Earnings/(loss) per share from continuing operations	15		
Basic		**4.69 cents**	(0.63) cents
Diluted		**4.60 cents**	(0.63) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2014

	2014 **HK$'000**	2013 HK$'000 (restated)
(Loss)/profit for the year	**(178,759)**	53,376
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Recognition of actuarial (losses)/gains on defined benefit pension plan (net of tax)	**(53,143)**	31,701
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on the translation of foreign operations	**(838)**	(1,064)
Cash flow hedge loss recognised in equity	**(361)**	(351)
Cash flow hedge recycled to the statement of profit or loss	**712**	839
Deficit on revaluation of available-for-sale financial assets	**(957)**	(681)
Realised exchange differences on the sale of a disposal group recycled to the statement of profit or loss	**57,122**	–
Realised exchange differences on the liquidation of a subsidiary undertaking recycled to the statement of profit or loss	**–**	(1,186)
Impairment of available-for-sale financial assets recycled to the statement of profit or loss	**1,702**	–
Other comprehensive income for the year, net of tax	**4,237**	29,258
Total comprehensive income for the year attributable to owners of the Company	**(174,522)**	82,634

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	Note	**30 September 2014 HK$'000**	30 September 2013 HK$'000 (restated)	1 October 2012 HK$'000 (restated)
Non-current assets				
Property, plant and equipment	16	**4,362**	177,694	187,854
Prepaid land lease payments under operating leases	17	**–**	459	494
Goodwill	18	**–**	2,419	2,432
Other intangible assets	19	**–**	75	164
Interest in an associate	21	**150,234**	10,052	7,007
Available-for-sale financial assets	22	**237**	1,921	2,593
Deferred tax assets	34	**–**	43,330	65,965
		154,833	235,950	266,509
Current assets				
Inventories	23	**18,182**	289,815	272,735
Trade and other receivables	24	**96,440**	295,593	281,915
Pledged bank deposits	26	**–**	–	5,000
Cash and bank balances	26	**287,181**	187,565	151,357
		401,803	772,973	711,007
Current liabilities				
Trade and other payables	27	**62,023**	266,297	251,911
Interest-bearing bank borrowings – amounts due within one year	28	**6,020**	63,020	57,103
Obligations under finance leases – amounts due within one year	29	**9**	6,112	8,127
Provisions	30	**–**	3,860	4,121
Derivative financial instruments	25	**–**	351	2,874
Tax payable		**13,174**	13,478	9,020
		81,226	353,118	333,156
Net current assets		**320,577**	419,855	377,851
Total assets less current liabilities		**475,410**	655,805	644,360

	Note	**30 September 2014 HK$'000**	30 September 2013 HK$'000 (restated)	1 October 2012 HK$'000 (restated)
Non-current liabilities				
Interest-bearing bank borrowings – amounts due after one year	28	**–**	–	2,400
Obligations under finance leases – amounts due after one year	29	**–**	4,847	9,104
Convertible bonds	32	**73,101**	–	–
Retirement benefit obligations	33	**–**	166,251	218,083
Deferred tax liabilities	34	**–**	10,140	11,973
		73,101	181,238	241,560
Net assets		**402,309**	474,567	402,800
Capital and reserves				
Share capital	35	**116,087**	100,744	99,338
Reserves	37(a)	**286,222**	373,823	303,462
Total equity attributable to owners of the Company		**402,309**	474,567	402,800

The consolidated financial statements on pages 26 to 129 were approved and authorised for issue by the Board of Directors on 8 December 2014 and are signed on its behalf by:

DATO' CHOO CHUO SIONG
DIRECTOR

KELLY LEE
DIRECTOR

COMPANY STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	16	**1,290**	295
Investment in subsidiaries	20	**21,440**	97,802
Available-for-sale financial assets	22	**237**	1,194
		22,967	99,291
Current assets			
Trade and other receivables	24	**806**	595
Amounts due from subsidiaries	20	**113,979**	220,351
Cash and cash equivalents		**268,839**	18,641
		383,624	239,587
Current liabilities			
Trade and other payables	27	**12,397**	7,441
Amounts due to subsidiaries	20	**–**	127,261
		12,397	134,702
Net current assets		**371,227**	104,885
Total assets less current liabilities		**394,194**	204,176
Non-current liabilities			
Convertible bonds	32	**73,101**	–
Net assets		**321,093**	204,176
Capital and reserves			
Share capital	35	**116,087**	100,744
Reserves	37(b)	**205,006**	103,432
Total equity attributable to owners of the Company		**321,093**	204,176

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK$'000	Share premium* HK$'000	Treasury share reserve* HK$'000	Share option reserve* HK$'000	Other reserve* HK$'000	Convertible bonds equity reserve* HK$'000	Capital redemption reserve* HK$'000	Capital reserve* HK$'000	Translation reserve* HK$'000	Hedging reserve* HK$'000	Investment revaluation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000
At 1 October 2012 (as originally stated)	99,338	40,195	(5,365)	657	–	–	1,442	19,870	(53,086)	(839)	(113)	279,805	381,904
Effect of changes in accounting policy	–	–	–	–	–	–	–	–	–	–	–	20,896	20,896
At 1 October 2012 (restated)	99,338	40,195	(5,365)	657	–	–	1,442	19,870	(53,086)	(839)	(113)	300,701	402,800
Dividends paid (note 13)	–	–	–	–	–	–	–	–	–	–	–	(14,777)	(14,777)
Exercise of share options	1,406	2,211	–	(528)	–	–	–	–	–	–	–	–	3,089
Share-based compensation expense	–	–	–	384	–	–	–	–	–	–	–	–	384
Sale of treasury shares	–	–	397	–	40	–	–	–	–	–	–	–	437
Transactions with owners	1,406	2,211	397	(144)	40	–	–	–	–	–	–	(14,777)	(10,867)
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	53,376	53,376
Other comprehensive income:													
Exchange differences arising on the translation of foreign operations	–	–	–	–	–	–	–	–	(1,064)	–	–	–	(1,064)
Cash flow hedges – changes in fair value recognised in the year (note 25)	–	–	–	–	–	–	–	–	–	(351)	–	–	(351)
Cash flow hedges recycled to the statement of profit or loss (note 25)	–	–	–	–	–	–	–	–	–	839	–	–	839
Realised exchange differences on the liquidation of a subsidiary undertaking recycled to the statement of profit or loss	–	–	–	–	–	–	–	–	(1,186)	–	–	–	(1,186)
Deficit on revaluation of available-for-sale financial assets	–	–	–	–	–	–	–	–	–	–	(681)	–	(681)
Recognition of actuarial gains on defined benefit pension plan (net of tax)	–	–	–	–	–	–	–	–	–	–	–	31,701	31,701
Total comprehensive income for the year	–	–	–	–	–	–	–	–	(2,250)	488	(681)	85,077	82,634
At 30 September 2013 (restated)	100,744	42,406	(4,968)	513	40	–	1,442	19,870	(55,336)	(351)	(794)	371,001	474,567

	Share capital HK$'000	Share premium* HK$'000	Treasury share reserve* HK$'000	Share option reserve* HK$'000	Other reserve* HK$'000	Convertible bonds equity reserve* HK$'000	Capital redemption reserve* HK$'000	Capital reserve* HK$'000	Translation reserve* HK$'000	Hedging reserve* HK$'000	Investment revaluation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000
At 1 October 2013	100,744	42,406	(4.968)	513	40	–	1,442	19,870	(55,336)	(351)	(794)	371,001	474,567
Dividends paid (note 13)	–	–	–	–	–	–	–	–	–	–	–	–	–
Exercise of share options	600	1,456	–	(178)	–	–	–	–	–	–	–	–	1,878
Share-based compensation expense	–	–	–	208	–	–	–	–	–	–	–	–	208
Equity component of convertible bonds (note 32)	–	–	–	–	–	4,349	–	–	–	–	–	–	4,349
Issuance of shares for acquisition of associate (note 21)	14,743	81,086	–	–	–	–	–	–	–	–	–	–	95,829
Transactions with owners	15,343	82,542	–	30	–	4,349	–	–	–	–	–	–	102,264
Loss for the year	–	–	–	–	–	–	–	–	–	–	–	(178,759)	(178,759)
Other comprehensive income:													
Exchange differences arising on the translation of foreign operations	–	–	–	–	–	–	–	–	(838)	–	–	–	(838)
Cash flow hedges – changes in fair value recognised in the year (note 25)	–	–	–	–	–	–	–	–	–	(361)	–	–	(361)
Cash flow hedges recycled to the statement of profit or loss (note 25)	–	–	–	–	–	–	–	–	–	712	–	–	712
Realised exchange differences on the sale of a disposal group recycced to the statement of profit or loss	–	–	–	–	–	–	–	–	57,122	–	–	–	57,122
Deficit on revaluation of available-for-sale financial assets	–	–	–	–	–	–	–	–	–	–	(957)	–	(957)
Impairment of available-for-sale financial assets recycled to the statement of profit or loss	–	–	–	–	–	–	–	–	–	–	1,702	–	1,702
Recognition of actuarial losses on defined benefit pension plan (net of tax)	–	–	–	–	–	–	–	–	–	–	–	(53,143)	(53,143)
Total comprehensive income for the year	–	–	–	–	–	–	–	–	56,284	351	745	(231,902)	(174,522)
At 30 September 2014	116,087	124,948	(4,968)	543	40	4,349	1,442	19,870	948	–	(49)	139,099	402,309

* The total of reserves at 30 September 2014 is HK$286,222,000 (2013 – HK$373,823,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2014

	Note	2014 HK$'000	2013 HK$'000 (restated)
Cash flows from operating activities:			
Profit/(loss) before tax from continuing operations		**61,492**	(3,662)
(Loss)/profit before tax from discontinued operations		**(225,424)**	78,495
Adjustments for:			
Interest income		**(842)**	(1,432)
Interest on interest-bearing bank borrowings and overdrafts		**1,844**	2,655
Interest on obligations under finance leases		**308**	690
Imputed interest on convertible bonds		**450**	–
Interest charge on retirement benefit obligations		**4,922**	8,632
Bargain purchase on acquisition of an associate		**(60,440)**	–
Prolonged decline in fair value of available-for-sale financial assets		**1,702**	–
Retirement benefit plan expenses		**4,146**	6,377
Share of results of an associate		**(13,599)**	(6,922)
Amortisation of other intangible assets		**–**	165
Depreciation of property, plant and equipment		**12,086**	20,609
Amortisation of prepaid land lease payments under operating leases		**17**	35
Plant and equipment written off		**145**	–
Impairment loss on non-current assets	42	**170,283**	–
Reversal of impairment on trade receivables		**(465)**	(597)
Impairment loss on inventories		**786**	3,304
Cash flow hedge recycled to the statement of profit or loss		**712**	839
Share-based compensation expenses		**208**	384
Net loss on disposal of subsidiaries	40	**117,537**	–
Realised exchange differences on the liquidation of a subsidiary undertaking recycled to the statement of profit or loss		**–**	(1,186)
Restructuring costs charged to the statement of profit or loss		**4,112**	3,916
Operating cash flows before movements in working capital		**79,980**	112,302
Increase in inventories		**(13,415)**	(24,534)
Increase in trade and other receivables		**(57,049)**	(18,363)
Increase in trade and other payables		**44,146**	19,384
Restructuring costs paid		**(5,992)**	(4,328)
Employer contributions to the defined benefit pension plan		**(12,955)**	(19,112)
Net cash generated from operations		**34,715**	65,349
Income tax paid		**(9,524)**	(8,161)
Net cash generated from operating activities		**25,191**	57,188

	Note	2014 HK$'000	2013 HK$'000 (restated)
Cash flows from investing activities:			
Purchase of property, plant and equipment		**(6,728)**	(7,787)
Interest received		**842**	1,440
Acquisition of an associate	21	**(131,440)**	–
Net cash inflow from disposal of subsidiaries	40	**2,242**	–
Dividend received from an associate		**–**	3,737
Deferred contingent consideration paid for the acquisition of a subsidiary		**–**	(1,101)
Release of pledged bank deposits		**–**	5,000
Purchase of intangible assets		**–**	(84)
Net cash (used in)/generated from investing activities		**(135,084)**	1,205
Cash flows from financing activities:			
Principal repayment of obligations under finance leases		**(4,748)**	(8,467)
Interest paid on interest-bearing bank borrowings and bank overdrafts		**(7,074)**	(2,977)
Interest paid on obligations under finance leases		**–**	(690)
Net cash inflow on trust receipts and export loans		**2,331**	1,227
Repayment of bank borrowings		**(14,560)**	(2,400)
Proceeds from issue of convertible bonds		**77,000**	–
Proceeds from issue of ordinary shares upon acquisition of an associate		**130,720**	–
Dividends paid	13	**–**	(14,777)
New bank borrowings raised		**35,925**	–
Repayment of bridge loan in relation to the acquisition of an associate	21	**(130,720)**	–
Proceeds from bridge loan in relation to the acquisition of an associate	21	**130,720**	–
Proceeds from exercise of share options		**1,878**	3,089
Increase in invoice discounting facility		**–**	2,791
Sale of treasury shares		**–**	437

	Note	2014 HK$'000	2013 HK$'000 (restated)
Net cash generated from/(used in) financing activities		**221,472**	(21,767)
Net increase in cash and cash equivalents		**111,579**	36,626
Effect of foreign exchange rates		**2,597**	(1,760)
Cash and cash equivalents at 1 October		**173,005**	138,139
Cash and cash equivalents at 30 September		**287,181**	173,005
Analysis of the balance of cash and cash equivalents:			
Cash and bank balances	26	**287,181**	187,565
Bank overdrafts	28	**–**	(14,560)
		287,181	173,005

Details of major non-cash transactions are set out in note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability with its shares listed on The Stock Exchange of Hong Kong Limited (the "HKEx"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. Up until 30 May 2014, its subsidiaries were principally engaged in: the contract manufacturing, on OEM and EMS bases, of a wide range of power-related and electrical/electronic products ("Contract Manufacturing"); the manufacture, procurement and distribution of a broad line of hand, lawn and garden tools ("Tools"); the procurement and assembly of magnetic tools and products including the provision of magnetic-based industrial solutions ("Magnetic Technologies"; the manufacture, assembly and procurement of metrology and measurement tools ("Precision Measurement"); and the manufacture of electronic consumer products ("Consumer Electronics"). On that date, the Company sold its entire shareholdings in Pantene Global Holdings Limited ("PGH") and Pantronics Holdings Limited ("PHL"). PGH was the holding company of the Tools, Magnetic Technologies and Precision Measurement divisions while PHL was the holding company of the Contract Manufacturing division.

In addition, on 8 April 2014, the Company acquired a 28.84% equity interest in Yuji Development Corporation, an after-life services company based in Taiwan.

At the reporting date, there is one remaining business segment ("Consumer Electronics") upon which the Group reports its primary segment information. Details of the principal activities of the Company's subsidiaries are set out in note 20.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The consolidated financial statements for the current period cover the twelve months ended 30 September 2014.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collectively include all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for the year continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622) — "Accounts and Audit" which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules").

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 October 2013.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 19 (2011)	Employee Benefits
Amendments to HKFRS 1	Government Loans

Except as described below, the Group has concluded that the adoption of the new and revised HKFRSs, to the extent that they are relevant to the Group, have had no significant impact on the Group's results of operations and financial position.

HKAS 19 (2011) – Employee Benefits

In the current year, the Group has applied HKAS 19 (2011) and the related retrospective amendments for the first time.

HKAS 19 (2011) abandons the corridor approach with the result that changes in defined benefit obligations and the fair value of plan assets are recognised in the period in which they occur. The revised standard requires the changes in the Group's net defined benefit liability (or asset) to be separated into three components: service cost (including current and past service cost and settlements) recognised in profit or loss; net interest on the net defined benefit liability recognised in profit or loss; and re-measurements of the defined benefit liability (or asset) recognised in other comprehensive income. Under the revised standard, all actuarial gains and losses are required to be recognised immediately in other comprehensive income. Revised HKAS 19 also changed the basis for determining income from plan assets from expected return to interest income calculated at the liability discount rate, and requires immediate recognition of past service cost, whether vested or not.

As a result of the adoption of revised HKAS 19, the Group has changed its accounting policy with respect to defined benefit plans. The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HKAS 19 (2011) – Employee Benefits *(Continued)*

The main changes included:

(a) Past service costs are recognised immediately in profit or loss. Previously, these costs were recognised over the vesting period;

(b) The costs of administering the Plan are recognised in profit or loss, Previously, these costs were deducted from the return on plan assets;

(c) The interest income on Plan assets determined at the discount rate is recognised in profit or loss, Previously, an expected return on plan assets was recognised in profit or loss; and

(d) The return on plan assets, after deducting interest income, is recognised in other comprehensive income. Previously, the return on plan assets after deducting the expected return was recognised in other comprehensive income.

The impact of the adoption of the revised HKAS 19 on the Group's financial statements is summarised below:

	As previously reported	Effect of adopting HKAS 19 (2011)	As restated
	HK$'000	HK$'000	HK$'000
Consolidated statement of financial position as at 1 October 2012			
Deferred tax assets	72,203	(6,238)	65,965
Total non-current assets	272,747	(6,238)	266,509
Total assets less current liabilities	650,598	(6,238)	644,360
Retirement benefit obligations	245,217	(27,134)	218,083
Total non-current liabilities	268,694	(27,134)	241,560
Net assets/total equity	381,904	20,896	402,800
Retained profits	279,805	20,896	300,701
Consolidated statement of financial position as at 30 September 2013			
Deferred tax assets	48,005	(4,675)	43,330
Total non-current assets	240,625	(4,675)	235,950
Total assets less current liabilities	660,480	(4,675)	655,805
Retirement benefit obligations	189,627	(23,376)	166,251
Total non-current liabilities	204,614	(23,376)	181,238
Net assets/total equity	455,866	18,701	474,567
Translation reserve	(57,031)	1,695	(55,336)
Retained profits	353,995	17,006	371,001

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HKAS 19 (2011) – Employee Benefits *(Continued)*

	As previously reported	**Effect of adopting HKAS 19 (2011)**	**As restated**
	HK$'000	HK$'000	HK$'000
Consolidated statement of profit or loss for the year ended 30 September 2013			
Retirement benefit plan (credits)/expenses	(7,466)	22,475	15,009
Legal and professional fee	4,021	3,260	7,281
Profit before tax	100,568	(25,735)	74,833
Income tax charge	(27,518)	6,061	(21,457)
Profit for the year	73,050	(19,674)	53,376
Consolidated statement of comprehensive income for the year ended 30 September 2013			
Remeasurement of net defined benefit pension plan, net of tax	15,917	15,784	31,701
Exchange differences arising on the retranslation of foreign operations	(2,759)	1,695	(1,064)
Other comprehensive income for the year, net of tax	11,779	17,479	29,258
Total comprehensive income for the year attributable to owners of the Company	84,829	(2,195)	82,634

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HKAS 19 (2011) – Employee Benefits *(Continued)*

The impact on the earnings per share for the year ended 30 September 2013 after the adoption of the HKAS 19 (2011) is as follows:

	2013 (Originally stated)	**Impact on adoption of HKAS 19 (2011)**	**2013** (restated)
Earnings per share			
Continuing and discontinued operations			
Basic	7.42 cents	(2) cents	5.42 cents
Dilluted	7.42 cents	(2) cents	5.42 cents
Discontinued operations			
Basic	8.05 cents	(2) cents	6.05 cents
Dilluted	8.05 cents	(2) cents	6.05 cents

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions [2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities [1]
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets [1]
HKFRS 9	Financial Instruments [6]
HKFRS 15	Revenue from Contracts with Customers [5]
HKFRSs (Amendments)	Annual Improvements 2010-2012 cycle [3]
HKFRSs (Amendments)	Annual Improvements 2011-2013 cycle [2]
HKFRSs (Amendments)	Annual Improvements 2012-2014 cycle [4]

Notes:

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning or transactions occurring on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 July 2014
[4] Effective for annual periods beginning on or after 1 January 2016
[5] Effective for annual periods beginning on or after 1 January 2017
[6] Effective for annual periods beginning on or after 1 January 2018

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

1. Identify the contract with the customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue when (or as) the entity satisfies a performance obligation

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. An entity may adopt HKFRS 15 on a full retrospective basis. Alternatively, it may choose to adopt it prospectively from the date of initial application.

The Group is in the process of making an assessment of the potential impact of these new pronouncements. The directors so far concluded that the application of these new pronouncements may result in changes in accounting policies but are unlikely to have a significant impact on the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all of the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities, which are stated at their fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (together referred to as "the Group") made up to 30 September each year.

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The results of subsidiaries acquired or disposed of during the year are included in the profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the consolidated statement of profit or loss as incurred unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (Revised) are recognised at their fair values, except that: deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively; liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2 Share-based Payments; and assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any) the excess is recognised immediately in profit or loss as a bargain purchase gain. Non-controlling interests that represent present ownership interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated. The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on the acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Interest in an associate

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of an associate are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is carried in the statement of financial position at cost, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably, on the following bases:

(a) Sales of goods are recognised when goods are delivered and title has been passed. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

(b) Rental income, including rentals invoiced in advance from freehold land and building under operating leases, is recognised on a straight-line basis over the term of the lease.

(c) Interest income from a financial asset is recognised as it accrues using the effective interest method.

(d) Royalty income from the use of certain brand names and patents, is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Property, plant and equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is stated at cost and related carrying amounts are not depreciated, as freehold land is considered infinite.

Depreciation is provided to write off the cost of property, plant and equipment net of expected residual value over their estimated useful lives, using the straight-line method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

For owner-occupied leasehold land and buildings, where the allocation between the land and building elements cannot be made reliably, the leasehold interests in land are accounted for as property, plant and equipment and measured using the cost model, as appropriate.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised 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. All other costs, such as repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Other intangible assets

Intangible assets include externally acquired intellectual property rights and purchased goodwill. They are initially recognised at cost. After initial recognition, they are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of one to ten years. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the intellectual property rights to which it relates. All other expenditure is expensed as incurred.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

The Group assesses, at the end of each reporting period, whether there is any objective evidence that the financial asset is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include, but not be limited to: significant financial difficulty of the debtor; a breach of contract, such as a default or delinquency in interest or principal payments; the granting of a concession to a debtor due to financial difficulties; and it becoming probable that the debtor will enter bankruptcy or any other financial reorganisation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each reporting date subsequent to initial recognition, loans and receivables (including trade receivables, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the profit or loss when there is objective evidence that the asset is impaired. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss for receivables is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account. When any part of the financial asset is determined as un-collectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each reporting date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in other comprehensive income, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the profit or loss. Any impairment loss on available-for-sale financial assets is recognised in the profit or loss. For available-for-sale equity investments, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in the profit or loss.

For available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in the profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of the trade receivable is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a Group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Other financial liabilities

Other financial liabilities including trade payables are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

When any entity within the Group purchases the Company's ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's owners and presented as "treasury shares" within equity, until they are cancelled, sold or reissued.

When treasury shares are cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued, the cost of the treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to equity as other reserve of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

Derivative financial instruments and hedging

The Group uses derivative financial instruments (forward foreign exchange contracts) to hedge its risks associated with foreign currency fluctuations.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derivative financial instruments and hedging (Continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised directly in other comprehensive income. The ineffective portion of any gain or loss is recognised immediately in the profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is removed from other comprehensive income and included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is removed from other comprehensive income and recognised in the profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is removed from other comprehensive income and recognised in the profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedge forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised immediately in the profit or loss.

Derivative financial instruments that do not qualify for hedge accounting are classified as held-for-trading and carried at fair value, with changes in fair value included in the profit or loss. Trading derivatives are classified as a current asset or liability.

Any gains or losses arising from changes in the fair value on derivatives that do not qualify for hedge accounting are taken directly to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash in hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructuring
A restructuring provision is recognised when the Group has developed a detailed formal plan for restructuring and has raised a valid expectation that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset. An impairment loss is recognised as an expense immediately.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

Taxation

Taxation represents the sum of the tax paid or currently payable and deferred tax. The tax currently paid and payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes profit or loss items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associate, 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 be reversed in the foreseeable future.

Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) at the rate of exchange prevailing at that date, and their income and expenses are translated at the average monthly exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of other comprehensive income (the translation reserve). Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 April 2005 have been treated as assets and liabilities of the foreign operation and translated in Hong Kong Dollars at the closing rates. Goodwill arising on the acquisitions of foreign operation before 1 April 2005 has been translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Prepaid land lease payments under operating leases
Leasehold interests in land are up-front payments to acquire the land use rights. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to write off the up-front payments over the lease terms.

The Group as lessor
Rental income from operating leases is recognised in the consolidated profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. Contingent rentals are credited to the profit or loss in the accounting period in which they are earned.

The Group as lessee
Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Assets held under finance leases are recognised as assets of the Group at fair values at inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. Finance charges are charged directly to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefits costs

Payments to the defined contribution retirement plans are charged as expenses when employees have rendered service entitling them to contributions.

The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme"), for employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group's former UK subsidiary company, Spear & Jackson, operates a defined benefit plan covering certain of the employees in its UK based subsidiaries. The cost of providing benefits is determined using the projected unit credit method. Remeasurements of the net defined benefit liability, which include actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income. The net interest expense on the net defined benefit liability is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and service cost are recognised in profit or loss.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Equity-settled share-based payment transactions

Share options granted to Directors of the Company and employees of the Group

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the profit or loss over the remaining vesting period, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segmental reporting

The Group has identified its operating segments and prepared segmental information based on regular internal financial information reported to the Group's Executive Directors for their decisions about resources allocation to the Group's business components and review of these components' performance.

The business components in the internal reporting to the Executive Directors are determined following the Group's principal activities.

Under HKFRS 8, reported segmental information is based on internal management reporting information that is regularly reviewed by the Executive Directors. The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in the HKFRS financial statements except for cash flow hedges recycled from other comprehensive income, realised exchange differences on the liquidation of a subsidiary undertaking recycled from other comprehensive income and corporate income and expenses that are not directly attributable to the business activities of any operating unit and income tax.

Segment assets include all assets but exclude deferred tax assets, goodwill, other intangible assets, interest in an associate, available-for-sale financial assets, consolidation and Group assets unrelated to the business activities of any operating segment.

Segment liabilities include all liabilities but exclude deferred tax liabilities and consolidation and Group liabilities unrelated to the business activities of any operating segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Inventories

Inventories are measured at the lower of cost and net realisable value. The management of the Group reviews the carrying amount of the inventory at the end of each reporting period, and makes allowance for any inventory items identified to be carried at a recoverable value that is lower than cost through estimation of the expected selling prices under current market conditions.

Impairment of trade receivables

Management assesses the recoverability of the trade receivables based on the estimate on their financial status and their ability to repay their obligations when they fall due. Judgment is required in assessing the ultimate realisation of these receivables, and the financial conditions of the debtors may undergo adverse changes since the last management evaluation. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required in future accounting periods.

5. REVENUE AND SEGMENT INFORMATION

The Group's segmental information is based on regular internal financial information reported to the Company's Executive Directors for their decisions about resources allocation to the Group's business components and their review of these components' performance.

Up until 30 May 2014, the Group's principal segments for internal reporting purposes were: the contract manufacturing, on OEM and EMS bases, of a wide range of power-related and electrical/electronic products ("Contract Manufacturing"); the manufacture, procurement and distribution of a broad line of hand, lawn and garden tools ("Tools"); the procurement and assembly of magnetic tools and products including the provision of magnetic-based industrial solutions ("Magnetic Technologies"); the manufacture, assembly and procurement of metrology and measurement tools ("Precision Measurement"); and the manufacture of electronic consumer products ("Consumer Electronics"). On that date, the Company sold its entire shareholdings in Pantene Global Holdings Limited ("PGH") and Pantronics Holdings Limited ("PHL"). PGH was the holding company of the Tools, Magnetic Technologies and Precision Measurement divisions while PHL was the holding company of the Contract Manufacturing division.

At the reporting date, there is one remaining business segment ("Consumer Electronics") upon which the Group reports its primary segment information.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Revenue, which is also the Group's turnover, represents the total invoiced value of goods supplied less discounts and returns.

	Consumer Electronics HK$'000	Discontinued Operations HK$'000	Total HK$'000
For the year ended 30 September 2014			
Revenue			
External customers	286,249	875,395	1,161,644
Inter-segment sales	–	7,210	7,210
	286,249	882,605	1,168,854
Profit before tax			
Segment operating profit	19,298	68,447	87,745
Restructuring costs	–	(4,112)	(4,112)
Share of results of an associate	–	4,016	4,016
Impairment loss on non-current assets (note 42)	–	(170,283)	(170,283)
Net finance costs	(287)	(5,955)	(6,242)
Reportable segment profit/(loss)	19,011	(107,887)	(88,876)
Assets			
Segment assets	120,414	–	120,414
Liabilities			
Segment liabilities	81,226	–	81,226
Other information			
Additions of property, plant and equipment	1,857	6,785	8,642
Depreciation of property, plant and equipment	2,222	9,730	11,952
Amortisation of prepaid land lease payments under operating leases	–	17	17
(Reversal of impairment loss)/impairment loss on trade receivables	(474)	9	(465)
Impairment loss/(reversal of impairment loss) on inventories	1,236	(450)	786

Inter-segment sales are charged at prevailing market rates.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Consumer Electronics HK$'000	Discontinued Operations HK$'000 (Restated)	Total HK$'000
For the year ended 30 September 2013			
Revenue			
External customers	226,282	1,254,485	1,480,767
Inter-segment sales	—	6,327	6,327
	226,282	1,260,812	1,487,094
Profit before tax			
Segment operating profit	11,708	84,345	96,053
Restructuring costs	—	(3,916)	(3,916)
Share of results of an associate	—	6,922	6,922
Realised exchange differences on the liquidation of a subsidiary undertaking recycled from other comprehensive income	—	1,186	1,186
Net finance costs	(124)	(10,042)	(10,166)
Reportable segment profit	11,584	78,495	90,079
Assets			
Segment assets	124,008	925,656	1,049,664
Liabilities			
Segment liabilities	65,394	581,885	647,279
Other information			
Additions of property, plant and equipment	881	6,373	7,254
Depreciation of property, plant and equipment	2,322	8,184	10,506
Amortisation of other intangible assets	—	165	165
Amortisation of prepaid land lease payments under operating leases	—	35	35
Impairment loss/(reversal of impairment loss) on trade receivables	10	(607)	(597)
(Reversal of impairment loss)/impairment loss on inventories	(1,320)	3,342	2,022

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2014 **HK$'000**	2013 HK$'000 (restated)
Reportable segment revenues	**1,168,854**	1,487,094
Discontinued operations	**(882,605)**	(1,260,812)
Total revenue	**286,249**	226,282

	2014 **HK$'000**	2013 HK$'000 (restated)
Reportable segment (loss)/profit	**(88,876)**	90,079
Inter-company transactions with discontinued operations	**–**	(15,791)
Unallocated corporate net finance credits/(charge)	**87**	(1,166)
Unallocated corporate credits	**32,811**	1,711
Share of results of an associate	**9,583**	–
Less: Segment (loss)/profit from discontinued operations	**(107,887)**	78,495
Profit/(loss) from continuing operations before income tax	**61,492**	(3,662)

	2014 **HK$'000**	2013 HK$'000 (restated)
Reportable segment assets	**120,414**	1,049,664
Deferred tax assets	**–**	43,330
Goodwill	**–**	2,419
Other intangible assets	**–**	75
Interest in an associate	**150,234**	10,052
Available-for-sale financial assets	**237**	1,921
Consolidation and Group assets	**285,751**	(98,538)
Total assets	**556,636**	1,008,923

	2014 **HK$'000**	2013 HK$'000 (restated)
Reportable segment liabilities	**81,226**	647,279
Deferred tax liabilities	**–**	10,140
Consolidation and Group liabilities	**73,101**	(123,063)
Total liabilities	**154,327**	534,356

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The customers of the Group's continuing operations are mainly located in Mainland China, Hong Kong, the United Kingdom ("the UK"), the United States of America ("the USA"), France and Australia. The following provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

Revenue by geographical market

	Continuing Operations		Discontinued Operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
The People's Republic of China (the "PRC")						
Mainland China	**1,011**	2,569	**26,913**	42,515	**27,924**	45,084
Hong Kong (place of domicile)	**328**	626	**6,293**	8,029	**6,621**	8,655
	1,339	3,195	**33,206**	50,544	**34,545**	53,739
USA	**215,351**	170,398	**148,223**	206,687	**363,574**	377,085
UK	**24,593**	21,156	**264,125**	325,908	**288,718**	347,064
France	**–**	–	**93,285**	103,533	**93,285**	103,533
Australia	**2,847**	958	**131,185**	224,999	**134,032**	225,957
Others	**42,119**	30,575	**205,371**	342,814	**247,490**	373,389
	286,249	226,282	**875,395**	1,254,485	**1,161,644**	1,480,767

"Others", above, represents sales to various countries which individually represent less than 10% of the total revenue of the Group.

Revenue from the major customer, who accounted for 10% or more of the Group's revenue from continuing and discontinued operations, is set out below:

	2014	**Weighting**	2013	Weighting
	HK$'000	**%**	HK$'000	%
Customer A — Consumer Electronics	**257,890**	**22**	206,180	14

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets and financial assets) analysed by the geographical areas in which the assets are located:

Carrying amount of non-current assets:

	2014	2013
	HK$'000	HK$'000
UK	**–**	128,937
Mainland China	**3,015**	42,083
France	**–**	15,229
Australia	**–**	2,682
Hong Kong	**1,347**	1,614
Others	**–**	154
	4,362	190,699

6. OTHER INCOME

	Continuing operations		**Discontinued operations**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Bargain purchase on acquisition of Yuji (note 21)	**60,440**	–	**–**	–	**60,440**	–
Property rental income	**–**	–	**817**	1,211	**817**	1,211
Gain on disposal of property, plant and equipment	**–**	–	**383**	–	**383**	–
Royalty income	**–**	–	**–**	2,567	**–**	2,567
Others	**593**	716	**3,723**	3,036	**4,316**	3,752
	61,033	716	**4,923**	6,814	**65,956**	7,530

7. INTEREST INCOME

	Continuing operations		**Discontinued operations**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
						(restated)
Interest earned on bank deposits and balances	**87**	122	**755**	1,310	**842**	1,432

8. RESTRUCTURING COSTS

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Manufacturing reorganisation (note 30)	**–**	–	**3,264**	4,861	**3,264**	4,861
Onerous lease rentals (note 30)	**–**	–	**–**	(945)	**–**	(945)
Other costs	**–**	–	**848**	–	**848**	–
	–	–	**4,112**	3,916	**4,112**	3,916

The manufacturing reorganisation costs relate to retrenchment costs in the Group's UK subsidiaries and the relocation of certain sourcing operations in the PRC.

Onerous lease rental costs and credits relate to changes in estimates of the present value of the future lease payments that the Group is presently obligated to make under non-cancelable onerous operating lease contracts.

9. FINANCE COSTS

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (restated)
Interest on interest-bearing bank borrowings and overdrafts wholly repayable within five years	**364**	623	**1,480**	2,032	**1,844**	2,655
Imputed interest on convertible bonds (note 32)	**450**	–	**–**	–	**450**	–
Interest on retirement benefit obligations	**–**	–	**4,922**	8,632	**4,922**	8,632
Interest on obligations under finance leases	**–**	2	**308**	688	**308**	690
	814	625	**6,710**	11,352	**7,524**	11,977

10. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (restated)
Labour and related costs:						
Directors' remuneration (note 11)	**7,790**	7,471	**1,429**	2,232	**9,219**	9,703
Staff salaries, allowances and welfare	**16,480**	16,591	**90,308**	142,026	**106,788**	158,617
Defined contribution plans (note 31)	**–**	–	**2,984**	4,476	**2,984**	4,476
Provident fund contributions (note 31)	**–**	1,870	**3,757**	3,621	**3,757**	5,491
Mandatory provident fund obligations (note 31)	**440**	369	**250**	417	**690**	786
Defined benefit retirement plan charge (note 33)						
Current service charge	**–**	–	**2,092**	3,570	**2,092**	3,570
Administration costs	**–**	–	**2,054**	2,807	**2,054**	2,807
Direct labour costs	**25,287**	22,531	**55,237**	76,830	**80,524**	99,361
	49,997	48,832	**158,111**	235,979	**208,108**	284,811
Other items:						
Amortisation of lease payments under operating leases	**–**	–	**17**	35	**17**	35
Auditors' remuneration	**926**	1,095	**1,306**	4,870	**2,232**	5,965
Exchange losses	**389**	601	**1,708**	704	**2,097**	1,305
Depreciation of property, plant and equipment	**2,356**	2,421	**9,730**	18,188	**12,086**	20,609
Amortisation of other intangible assets	**–**	–	**–**	165	**–**	165
(Reversal of impairment loss)/impairment loss on trade receivables	**(474)**	10	**9**	(607)	**(465)**	(597)
Impairment loss/(reversal of impairment loss) on inventories	**1,236**	(1,320)	**(450)**	4,624	**786**	3,304
Minimum lease payments in respect of rented premises	**1,452**	3,187	**6,807**	9,162	**8,259**	12,349
Cost of inventories recognised as expenses	**244,786**	195,072	**590,883**	844,759	**835,669**	1,039,831
Cash flow hedge recycled from other comprehensive income	**–**	–	**712**	839	**712**	839
Prolonged decline in fair value of available-for-sales financial assets	**1,702**	–	**–**	–	**1,702**	–
Restructuring costs	**–**	–	**4,112**	3,916	**4,112**	3,916

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' emoluments

The emoluments paid or payable to each of the 13 (2013 – 13) directors were as follows:

For the year ended 30 September 2014

	Fees HK$'000	Basic salaries and allowances HK$'000	Share-based compensation expenses HK$'000	Bonuses HK$'000	Benefits in kind HK$'000	Compensation for loss of office HK$'000	Retirement benefits scheme contribution HK$'000	Total HK$'000
Executive Directors:								
Mr. David Howard Clarke (resigned with effect from 15 September 2014)	–	772	91	591	–	–	–	1,454
Mr. Henry Woon-Hoe Lim (resigned with effect from 1 October 2014)	–	2,832	47	666	–	–	16	3,561
Mr. Simon Hsu Nai-Cheng (resigned with effect from 30 May 2014)	–	320	70	273	–	–	10	673
Mr. Patrick John Dyson (resigned with effect from 30 May 2014)	–	932	–	–	102	–	65	1,099
Ms. Kelly Lee	–	704	–	–	–	–	16	720
Non-executive Directors:								
Dr. Wong Ho Ching, Chris*	250	–	–	–	–	–	–	250
Mr. Ramon Sy Pascual* (resigned with effect from 15 September 2014)	250	–	–	–	–	250	–	500
Mr. Robert Barry Machinist * (resigned with effect from 10 October 2013)	–	–	–	–	–	194	–	194
Mr. Anthony Lee (resigned with effect from 8 December 2014)	250	–	–	–	–	–	–	250
Mr. Lan Yen-Po*	250	–	–	–	–	–	–	250
Ms. Hu Gin Ing* (appointed with effect from 6 November 2013)	226	–	–	–	–	–	–	226
Mr. Sun Jih-Hui (appointed with effect from 19 August 2014)	–	31	–	–	–	–	–	31
Dato' Choo Chuo Siong (appointed with effect from 15 September 2014)	–	11	–	–	–	–	–	11
	1,226	5,602	208	1,530	102	444	107	9,219

* Independent Non-executive Directors

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors' emoluments *(Continued)*

For the year ended 30 September 2014 *(Continued)*

None of the Directors waived any emoluments during the year.

Except for the compensation for loss of office paid to Mr. Ramon Sy Pascual and Mr. Robert Barry Machinist amounted to HK$250,000 and HK$194,000 respectively, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 30 September 2014.

The management considers that the executive directors of the Company are the key management of the Group.

For the year ended 30 September 2013

	Fees HK$'000	Basic salaries and allowances HK$'000	Share-based compensation expenses HK$'000	Bonuses HK$'000	Benefits in kind HK$'000	Retirement benefits scheme contribution HK$'000	Total HK$'000
Executive Directors:							
Mr. David Howard Clarke	–	775	171	686	–	–	1,632
Mr. Henry Woon-Hoe Lim	–	2,754	85	729	–	15	3,583
Mr. Simon Hsu Nai-Cheng	–	480	128	515	–	15	1,138
Mr. Patrick John Dyson	–	1,291	–	218	137	91	1,737
Ms. Kelly Lee (re-designated as executive director with effect from 24 June 2013)	–	146	–	–	–	3	149
Non-executive Directors:							
Dr. Wong Ho Ching, Chris*	250	–	–	–	–	–	250
Mr. Ramon Sy Pascual*	250	–	–	–	–	–	250
Mr. Robert Barry Machinist * (resigned on 10 October 2013)	250	–	–	–	–	–	250
Mr. Chan Kin Sang (resigned on 24 June 2013)	250	–	–	–	–	–	250
Mr. Liu Ka Lim (resigned on 24 June 2013)	250	–	–	–	–	–	250
Ms. Kelly Lee (appointed with effect from 14 May 2013)	26	–	–	–	–	–	26
Mr. Anthony Lee (appointed with effect from 14 May 2013)	94	–	–	–	–	–	94
Mr. Lan Yen-Po* (appointed with effect from 14 May 2013)	94	–	–	–	–	–	94
	1,464	5,446	384	2,148	137	124	9,703

* Independent Non-executive Directors

None of the Directors waived any emoluments during the year.

No remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 30 September 2013.

The management considers that the executive directors of the Company are the key management of the Group.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees' emoluments

The five highest paid individuals of the Group included 3 Directors (2013 – 3), details of whose emoluments are set out above. The emoluments of the 2 (2013 – 2) highest paid employees, other than the Directors of the Company, were as follows:

	2014	2013
	HK$'000	HK$'000
Salaries and other benefits	**5,057**	4,400
Expenses of retirement benefit plans	**135**	268
	5,192	4,668

Emoluments of these employees were within the following bands:

	Number of employees	
	2014	2013
Nil - HK$1,000,000	**–**	–
HK$1,000,001 - HK$1,500,000	**1**	–
HK$1,500,001 - HK$2,000,000	**–**	–
HK$2,000,001 - HK$2,500,000	**–**	2
HK$2,500,001 - HK$3,000,000	**–**	–
HK$3,000,001 - HK$3,500,000	**–**	–
HK$3,500,001 - HK$4,000,000	**–**	–
HK$4,000,001 - HK$4,500,000	**1**	–
	2	2

Emoluments of the Directors

The emoluments paid or payable to the Directors were within the following bands:

	2014	2013
Nil - HK$1,000,000	**10**	9
HK$1,000,001 - HK$1,500,000	**2**	1
HK$1,500,001 - HK$2,000,000	**–**	2
HK$2,000,001 - HK$2,500,000	**–**	–
HK$2,500,001 - HK$3,000,000	**–**	–
HK$3,000,001 - HK$3,500,000	**–**	–
HK$3,500,001 - HK$4,000,000	**1**	1
	13	13

12. INCOME TAX CHARGE

The income tax charge for the year comprises:

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (restated)
Current income tax – Hong Kong:						
Provision for the year	**1,530**	642	**1,616**	2,748	**3,146**	3,390
Current income tax – Overseas:						
Provision for the year:						
Taiwan	**2,927**	–	**–**	–	**2,927**	–
Australia	**–**	–	**905**	1,487	**905**	1,487
United Kingdom	**–**	–	**3,290**	276	**3,290**	276
Mainland China ("PRC")	**1,780**	1,887	**1,175**	4,971	**2,955**	6,858
Canada	**–**	–	**835**	1,393	**835**	1,393
United States	**–**	–	**(28)**	34	**(28)**	34
France	**–**	–	**509**	481	**509**	481
New Zealand	**–**	–	**286**	297	**286**	297
Under/(over) provision in respect of prior years	**5,344**	–	**–**	(1,994)	**5,344**	(1,994)
	10,051	1,887	**6,972**	6,945	**17,023**	8,832
Deferred tax (note 34)	**–**	–	**(5,342)**	9,235	**(5,342)**	9,235
	11,581	2,529	**3,246**	18,928	**14,827**	21,457

(a) Hong Kong profits tax is calculated at 16.5% (2013 — 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is provided on the estimated taxable profits arising in those jurisdictions at the prevailing local rates.

Withholding tax is calculated at 20% on dividend declared of HK$14,632,000 from the Group's associate in Taiwan during the year ended 30 September 2014 (2013: Nil).

12. INCOME TAX CHARGE *(Continued)*

(b) The income tax charge for the year can be reconciled to the profit/(loss) per the consolidated statement of profit or loss as follows:

	2014 **HK$'000**	2013 HK$'000 (restated)
Profit/(loss) before tax:		
Continuing operations	**61,492**	(3,662)
Discontinued operations	**(225,424)**	78,495
	(163,932)	74,833
Tax thereon at domestic rates applicable to profits or losses in the jurisdictions concerned	**31,975**	(19,049)
Tax effect of expenses not deductible for tax purposes	**(67,450)**	(6,731)
Tax effect of income not taxable for tax purposes	**31,555**	3,454
Tax effect of losses not recognised	**(3,858)**	(443)
Utilisation of tax losses previously not recognised	**1,730**	4,612
(Under)/over provision in respect of prior years	**(5,344)**	1,994
Decrease in recoverable amount of UK deferred tax asset (note c)	**–**	(4,953)
Withholding tax on dividend from the associate	**(2,927)**	–
Others	**(508)**	(341)
Tax charge for the year	**(14,827)**	(21,457)

(c) The majority of the Group's deferred tax assets relate to temporary differences originating in its UK subsidiaries. At 30 September 2013, such deferred tax balances were provided at 20%. Legislation formally enacted during that year had the effect of reducing the effective tax rate from 23% to 20% from April 2014. Included in the HK$9,235,000 deferred tax charge for the year ended 30 September 2013 is a charge of HK$4,953,000 to reflect this change in tax rate.

(d) On 16 March 2007, the PRC promulgated the Law of the PRC on Corporate Income Tax ("the New Law"). On 6 December 2007, the State Council of the PRC issued Implementation Corporate Regulations of the New Law. Pursuant to the New Law and Implementation Regulations, the corporate income tax rate for domestic and foreign invested enterprises was unified at 25% from 1 January 2008. There is a transitional period for the PRC subsidiaries that are currently entitled to preferential tax treatments granted by the relevant tax authorities. The PRC subsidiaries currently subject to a corporate income tax rate lower than 25% will continue to enjoy the lower tax rate and will be gradually transitioned to the new unified rate of 25% within five years after 1 January 2008.

13. DIVIDENDS

Dividend declared and paid during the year:

	2014 HK$'000	2013 HK$'000
Final dividend relating to the year ended 30 September 2012 declared and paid of 1.0 HK cent per ordinary share	–	9,942
Interim dividend relating to the year ended 30 September 2013 declared and paid of 0.5 HK cent per ordinary share	–	5,037
Gross dividend	–	14,979
Less: Dividend received by the subsidiary undertaking holding Company Treasury Shares	–	(202)
	–	14,777

The Board does not recommend the payment of a final dividend for the year ended 30 September 2014 (2013 — nil).

At a Board Meeting held on 14 May 2013, the Directors approved the payment of an interim dividend of HK$5,037,216 (0.5 HK cent per ordinary share) for the six-month period ended 31 March 2013. This interim dividend was distributed on 15 July 2013 to shareholders whose names were recorded in the Register of Members of the Company as at the close of business on 5 July 2013.

At a Board Meeting held on 11 December 2012, the Directors approved the payment of a final dividend of HK$9,941,394 (1.0 HK cent per ordinary share) for the year ended 30 September 2012. This final dividend was approved by shareholders at the Annual General Meeting held on 26 March 2013 and was paid on 18 April 2013 to shareholders whose names appeared in the Register of Members as at the close of business on 8 April 2013.

14. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated loss of HK$178,759,000 (2013 – restated profit of HK$53,376,000) attributable to owners of the Company, a profit of HK$13,908,000 (2013 – HK$7,980,000) has been dealt with in the financial statements of the Company.

15. (LOSS)/EARNINGS PER SHARE

(a) From continuing and discontinued operations

The calculation of the basic and diluted loss per share for the year ended 30 September 2014 is based on the loss attributable to owners of the Company of HK$178,759,000 and HK$178,385,000 respectively, and the weighted average number of ordinary shares, for basic and diluted loss per share purposes, of 1,065,202,418 and 1,093,467,563 respectively. The calculation of the basic and diluted earnings per share for the year ended 30 September 2013 is based on the restated profit attributable to owners of the Company of HK$53,376,000, and the weighted average number of ordinary shares of 984,269,710.

The calculation of adjusted loss for the year ended 30 September 2014 for diluted loss per share purposes is as follows:

	2014 **HK$'000**
Loss for the year from continuing and discontinued operations	**(178,759)**
Add: Imputed interest expense for convertible bonds	**450**
Less: Tax impact of the imputed interest	**(76)**
	(178,385)

The calculations of weighted average number of ordinary shares are as follows:

(i) Weighted average number of ordinary shares (basic)

	2014	2013 (restated)
Issued ordinary shares at 1 October	**1,007,443,154**	993,376,993
Subscription of shares at 8 April 2014	**71,088,634**	–
Effect of share options exercised (note (i))	**98,630**	4,768,838
Treasury shares	**(13,428,000)**	(13,876,121)
Weighted average number of ordinary shares at 30 September	**1,065,202,418**	984,269,710
Basic (loss)/earnings per share (HK cents)	**(16.78)**	5.42

15. (LOSS)/EARNINGS PER SHARE *(Continued)*

(a) From continuing and discontinued operations *(Continued)*

(ii) Weighted average number of ordinary shares (diluted)

	2014	2013 (restated)
Issued ordinary shares at 1 October 2013	**1,007,443,154**	993,376,993
Subscription of shares at 8 April 2014	**71,088,634**	–
Effect of share options exercised (note (i))	**98,630**	4,768,838
Effect of deemed issue of shares under the Company's share option scheme	**7,232,799**	–
Effect of deemed issue of shares under the Company's convertible bonds	**21,032,346**	–
Treasury shares	**(13,428,000)**	(13,876,121)
Weighted average number of ordinary shares at 30 September	**1,093,467,563**	984,269,710
Diluted (loss)/earnings per share (HK cents) (note (ii))	**(16.31)**	5.42

Note:

(i) Relates to the share options exercised under the Company's share option scheme during the years ended 30 September 2014 and 2013.

(ii) Diluted earnings per share for the year ended 30 September 2013 is the same as basic earnings per share as the share options outstanding at the end of reporting period had an anit-dilutive effect.

15. (LOSS)/EARNINGS PER SHARE *(Continued)*

(b) From continuing operations

The calculation of the basic and diluted earnings per share for the year ended 30 September 2014 is based on the profit from continuing operations of HK$49,911,000 and HK$50,285,000 respectively and the weighted average number of ordinary shares, for basic and diluted earnings per share of 1,065,202,418 and 1,093,467,563 respectively. The calculation of the basic and diluted loss per share for the year ended 30 September 2013 is based on the loss from continuing operations of HK$6,191,000, and the weighted average number of ordinary shares of 984,269,710. The calculation of adjusted profit for the year ended 30 September 2014 is as follows:

	2014 **HK$'000**
Profit for the year from continuing operations	**49,911**
Add: Imputed interest expense for convertible bonds	**450**
Less: Tax impact of the imputed interest	**(76)**
	50,285

	2014	2013
Basic earnings/(loss) per share (HK cents)	**4.69**	(0.63)
Diluted earnings/(loss) per share (HK cents)	**4.60**	(0.63)

Diluted loss per share for the year ended 30 September 2013 is the same as basic loss per share as the share options outstanding at the end of reporting period had an anti-dilutive effect.

(c) From discontinued operations

The calculation of the basic and diluted loss per share for the year ended 30 September 2014 is based on the loss from discontinued operations of HK$228,670,000 and the weighted average number of ordinary shares, for basic and diluted loss per share of 1,065,202,418 and 1,093,467,563 respectively. The calculation of the basic and diluted earnings per share for the year ended 30 September 2013 is based on the restated profit of HK$59,567,000, and the weighted average number of ordinary shares of 984,269,710.

	2014	2013
Basic (loss)/earnings per share (HK cents)	**(21.47)**	6.05
Diluted (loss)/earnings per share (HK cents)	**(20.91)**	6.05

Diluted earnings per share for the year ended 30 September 2013 is the same as basic earnings per share as the share options outstanding at the end of reporting period had an anti-dilutive effect.

16. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Land and buildings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Plant and machinery HK$'000	Total HK$'000
Cost					
At 1 October 2012	174,478	80,055	24,573	109,560	388,666
Additions	553	4,017	2,857	2,835	10,262
Disposals	–	(85)	(3,707)	(207)	(3,999)
Currency realignment and others	2,299	732	(735)	415	2,711
At 30 September 2013	177,330	84,719	22,988	112,603	397,640
Additions	**473**	**2,338**	**3,989**	**3,116**	**9,916**
Disposals	**(310)**	**(950)**	**–**	**–**	**(1,260)**
Disposal of subsidiary undertakings	**(181,230)**	**(74,693)**	**(26,375)**	**(111,502)**	**(393,800)**
Currency realignment and others	**4,211**	**195**	**543**	**(1,002)**	**3,947**
At 30 September 2014	**474**	**11,609**	**1,145**	**3,215**	**16,443**
Accumulated depreciation, amortisation and impairment					
At 1 October 2012	32,083	65,676	12,290	90,763	200,812
Provided for the year	4,928	4,489	6,156	5,036	20,609
Disposals	–	(85)	(3,707)	(207)	(3,999)
Currency realignment and others	2,331	879	491	(1,177)	2,524
At 30 September 2013	39,342	70,959	15,230	94,415	219,946
Provided for the year	**2,465**	**2,483**	**2,954**	**4,184**	**12,086**
Disposals	**(165)**	**(950)**	**–**	**–**	**(1,115)**
Impairment loss (note 42)	**126,233**	**7,925**	**7,485**	**13,407**	**155,050**
Disposal of subsidiary undertakings	**(168,774)**	**(71,872)**	**(25,917)**	**(107,732)**	**(374,295)**
Currency realignment and others	**923**	**62**	**483**	**(1,059)**	**409**
At 30 September 2014	**24**	**8,607**	**235**	**3,215**	**12,081**
Carrying values					
At 30 September 2014	**450**	**3,002**	**910**	**–**	**4,362**
At 30 September 2013	137,988	13,760	7,758	18,188	177,694

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

COMPANY

	Furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost			
At 1 October 2013	508	–	508
Additions	**473**	**801**	**1,274**
Disposals	**(310)**	**–**	**(310)**
At 30 September 2014	**671**	**801**	**1,472**
Accumulated depreciation			
At 1 October 2013	213	–	213
Provided for the year	**94**	**40**	**134**
Disposals	**(165)**	**–**	**(165)**
At 30 September 2014	**142**	**40**	**182**
Carrying values			
At 30 September 2014	**529**	**761**	**1,290**
At 30 September 2013	295	–	295

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Freehold land	Nil
Land and buildings	Over the remaining unexpired term of the lease or fifty years, whichever is the shorter
Furniture, fixtures and equipment	10% - 25%
Motor vehicles	20% - 25%
Plant and machinery	10% - $33^1/_3$ %

The carrying value of the properties shown above mainly comprises:

	2014 HK$'000	2013 HK$'000
Properties held outside Hong Kong that are:		
Freehold	**–**	122,319
Held under medium term leases	**–**	15,474
	–	137,793

Additions in the year include HK$3,188,000 (2013 - HK$2,475,000) (note 38) in relation to assets acquired under finance leases for which there is no cash outflow included in the consolidated statement of cash flows.

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 30 September 2013, the net book value of furniture, fixtures and equipment, motor vehicles and plant and machinery of HK$13,760,000, HK$7,758,000 and HK$18,188,000 respectively included amounts of HK$5,152,000, HK$7,821,000 and HK$1,504,000 in respect of assets held under finance leases (note 29). As at 30 September 2014, the net book value of furniture, fixtures and equipment of HK$3,002,000 included amount of HK$13,000 in respect of assets held under finance lease (note 29).

At 30 September 2013, the net book value of the Group's UK freehold properties was approximately HK$107,000,000 over which there was a first fixed charge of approximately HK$63,000,000. Additionally, land and buildings in the UK, with a carrying value of HK$44,000,000 at 30 September 2013 had been pledged in favour of the James Neill Pension Plan (note 33).

17. PREPAID LAND LEASE PAYMENTS UNDER OPERATING LEASES

GROUP

The Group's interest in leasehold land and land use rights represents prepaid operating lease payments. The movements in their net carrying values are as follows:

	2014 **HK$'000**	2013 HK$'000
At 1 October	**459**	494
Amortisation	**(17)**	(35)
Disposal of subsidiary undertaking	**(442)**	—
At 30 September	**–**	459

18. GOODWILL

GROUP

	2014 **HK$'000**	2013 HK$'000
At 1 October	**2,419**	2,432
Currency realignment	**72**	(13)
Impairment (note 42)	**(2,491)**	—
At 30 September	**–**	2,419

Goodwill, until 30 May 2014 was attributable to the acquisition of Baty International Limited ("Baty"), a company incorporated in the UK and engaged in the design, manufacturing and procurement of precision measuring instruments, which was acquired on 10 March 2010, through the Company's then UK-based subsidiary, Bowers Group Limited. The goodwill in Baty forms part of the net assets sold on the disposal of subsidiary undertakings.

19. OTHER INTANGIBLE ASSETS

GROUP

	Intellectual property rights HK$'000	Purchased goodwill HK$'000	Other HK$'000	Total HK$'000
Carrying amount at 1 October 2012	101	63	–	164
Additions	–	–	84	84
Amortisation	(90)	(63)	(12)	(165)
Currency realignment	(11)	–	3	(8)
Carrying amount at 30 September 2013	–	–	75	75
Impairment (note 42)	**–**	**–**	**(65)**	**(65)**
Currency realignment	**–**	**–**	**(10)**	**(10)**
Carrying amount at 30 September 2014	**–**	**–**	**–**	**–**

The other intangible assets form part of the net assets sold on the disposal of subsidiary undertakings.

20. INTERESTS IN SUBSIDIARIES

COMPANY

	2014 HK$'000	2013 HK$'000
Unlisted investments, at cost	**21,440**	97,802
Amounts due from subsidiaries (note a)	**113,979**	220,351
Amounts due to subsidiaries (note b)	**–**	127,261

Notes:

(a) Loans to subsidiary undertakings are unsecured, interest-free and repayable on demand.

(b) Except for loans from subsidiary undertakings of approximately HK$10,000,000 and HK$3,325,000 in 2013 which are interest-bearing at rates of 5% per annum, the amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

20. INTERESTS IN SUBSIDIARIES *(Continued)*

Particulars of the principal subsidiaries are as follows:

Name of company	Place of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of ownership interest held by the Company Directly	Indirectly	Principal activities
Alford Industries Limited	Hong Kong/ Hong Kong	Ordinary HK$2,000,000	–	100%	Design and distribution of consumer electronic products
Foshan Shunde Alford Electronics Co. Ltd.	PRC*/PRC	Registered capital HK$ 22,074,000	–	100%	Manufacture and design of consumer electronic products
Rise Up International Limited	British Virgin Islands/Hong Kong	Ordinary US$1	100%	–	Investment holding

* Established in the PRC as a wholly foreign-owned enterprise.

The above list includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the assets and liabilities of the Group. To give details of all the other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at 30 September 2014 or at any time during the year (2013 – Nil).

21. INTEREST IN AN ASSOCIATE

Discontinued operations

	2014 **HK$'000**	2013 HK$'000
At 1 October	**10,052**	7,007
Currency realignment	**(377)**	(140)
Share of profit before tax for the year	**5,357**	9,232
Share of tax for the year	**(1,341)**	(2,310)
Dividends received	**–**	(3,737)
Impairment (note 42)	**(12,677)**	–
Disposal of subsidiary undertaking	**(1,014)**	–
At 30 September	**–**	10,052

21. INTEREST IN AN ASSOCIATE *(Continued)*

Up until 30 May 2014, the Group had an interest in the following associate:

Name of entity	Form of business structure	Place of registration	Principal place of operation	Nominal value of registered capital	Proportion of nominal value of registered capital held by the Group	Proportion of voting power held
Ningbo Hi-tech Assemblies Co. Ltd.	Sino-foreign joint venture	PRC	PRC	US$800,000	25%	25%

Ningbo Hi-tech Assemblies Co. Ltd. is involved in the manufacture and sale of magnetic, plastic and other materials and magnetic assemblies.

The summarised financial information up to the date of disposal in respect of the Group's associate is set out below:

	2014	2013
	HK$'000	HK$'000
Non-current assets	**–**	10,355
Current assets	**–**	59,257
Total assets	**–**	69,612
Current liabilities	**–**	(29,403)
Non-current liabilities	**–**	–
Total liabilities	**–**	(29,403)
Net assets	**–**	40,209
Share of an associate's net assets	**–**	10,052
Sales	**140,769**	182,022
Profit for the period/year after tax	**16,064**	27,688
Other comprehensive income	**–**	–
Total comprehensive income	**16,064**	27,688
Share of results of an associate (net of tax)	**4,016**	6,922

21. INTEREST IN AN ASSOCIATE *(Continued)*

Continuing operations

On 8 April 2014, the Group acquired 28.84% equity interest in Yuji Development Corporation ("Yuji") at a cash consideration of New Taiwan Dollar ("TWD") 513,728,077 (equivalent to approximately HK$130,720,000) from 40 independent persons (the "Vendors") who aggregately control 28.84% in Yuji. The Vendors then used the proceeds from the transaction to subscribe for 147,428,134 new shares of the Company issued for the same consideration. The cash consideration for the acquisition of Yuji was entirely financed by a Bridge Loan and the Bridge Loan was fully repaid out of the subscription monies for the Company's shares. In substance, the Company has issued its own shares to the Vendors in exchange of their interests in Yuji. The actual cost of investment in Yuji is therefore based on the fair market value of new shares issued as at the date of acquisition of approximately HK$95,829,000. The directly attributable expense incurred for the acquisition amounted to approximately HK$720,000.

The share of fair values of Yuji's net assets as at the date of acquisition is as follows:

	2014 HK$'000
Net assets of Yuji	
Properties, plant and equipment	**17,156**
Columbarium units and cemetery plots for resale	**570,821**
Trade and other receivables	**17,161**
Amounts due from related parties	**2,639**
Other financial assets	**6,657**
Cash and cash equivalents	**6,468**
Trade payables	**(17,278)**
Receipt in advance	**(32,202)**
Other payables	**(8,537)**
Non-controlling interests	**(15,518)**
Deferred tax liabilities	**(3,023)**
	544,344
28.84% of net assets	**156,989**
Satisfied by	
Fair value of shares of the Company issued to Vendors of Yuji at the date of acquisition	**95,829**
Directly atttributable expense	**720**
Bargain purchase on acquisition (note 6)	**60,440**
	156,989

21. INTEREST IN AN ASSOCIATE *(Continued)*

Continuing operations *(Continued)*

	2014 HK$'000
Movement of interest in an assoicate	
As at 1 October 2013	–
Share of net assets of Yuji on acquisiton	156,989
Currency realignment	(1,706)
Share of results of an assoicate	9,583
Dividend declared	(14,632)
As at 30 September 2014	150,234

Up until 30 September 2014, the Group had an interest in the following associate:

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Nominal value of share capital	Proportion of nominal value of share capital held by the Group
Yuji	Limited by shares	Taiwan	Taiwan	TWD 1,760,000,000	28.84%

Yuji is engaged in the after-life services in Taiwan, which is a totally new business to the Group. Management decided to invest in Yuji in order to tap into the funeral market which has growth potential, and to diversify the income source of the Group.

The bargain purchase on acquisition was mainly contributed by the profit generated by Yuji between the negotiation stage and the completion of acquisition, the fair value of the columbarium units and cemetery plots for sale as at 8 April 2014 is in excess of its book carrying value as at that date and the market price of the subscription shares at 8 April 2014 is HK$0.65, which is substantially below the subscription price of HK$0.887 used to determine the number of subscription shares under the subscription agreement dated 8 February 2014.

21. INTEREST IN AN ASSOCIATE *(Continued)*

Continuing operations *(Continued)*

The summarised financial information since 8 April 2014 in respect of the Group's associate is set out below:

	2014 HK$'000
Non-current assets	22,493
Current assets	617,691
Total assets	640,184
Current liabilities	(100,947)
Non-current liabilities	(3,016)
Total liabilities	(103,963)
Non-controlling interests	(15,297)
Net assets	520,924
Share of an associate's net assets	150,234
Sales	52,455
Profit for the period	33,228
Other comprehensive income	(5,915)
Total comprehensive income	27,313
Share of results of an associate (net of tax)	9,583

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

GROUP

	2014 **HK$'000**	2013 HK$'000
Unlisted equity investments (note a)		
Equity securities	**–**	727
Listed investments		
Equity securities – JDO and CICL (note b)	**3,813**	3,813
Equity securities – TCF (note c)	**1,988**	1,988
Less: Impairment losses	**(5,515)**	(3,813)
Less: Change in fair value recognised in investment revaluation reserve	**(49)**	(794)
	237	1,194
Total	**237**	1,921

The movements in available-for-sale financial assets during the year are as follows:

	2014 **HK$'000**	2013 HK$'000
At 1 October	**1,921**	2,593
Disposal of subsidiary undertaking (note 40)	**(754)**	–
Currency realignment	**27**	9
Change in fair value recognised in investment revaluation reserve	**(49)**	(681)
Less: Impairment losses	**(908)**	–
At 30 September	**237**	1,921

COMPANY

	2014 **HK$'000**	2013 HK$'000
Listed investments		
Equity securities – JDO and CICL (note b)	**3,813**	3,813
Equity securities – TCF (note c)	**1,988**	1,988
Less: Impairment losses	**(5,515)**	(3,813)
Less: Change in fair value recognised in investment revaluation reserve	**(49)**	(794)
	237	1,194

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

COMPANY *(Continued)*

The movements in available-for-sale financial assets during the year are as follows:

	2014 **HK$'000**	2013 HK$'000
At 1 October	**1,194**	1,875
Less: Impairment losses	**(908)**	–
Change in fair value recognised in investment revaluation reserve	**(49)**	(681)
At 30 September	**237**	1,194

Notes:

(a) Up until 30 May 2014, the unlisted investments represented investments in unlisted equity securities issued by private entities incorporated in France and India respectively. They were measured at cost less impairment at each reporting date because the range of reasonable fair value estimates is so wide that the Directors of the Company are of the opinion that their fair values cannot be measured reliably.

These unlisted investments formed part of the net assets sold on the disposal of subsidiary undertakings (note 40).

(b) This represents the Group's investment in the shares of Jed Oil Inc (Symbol: JDO), a Canada-based company quoted on AMEX, and the Company's investment in the shares of Climax International Company Limited ("CICL"), a company incorporated in Bermuda with its shares listed on the HKEx, representing a holding of approximately 0.25% (2013 – 0.25%) of the issued share capital of CICL as at 30 September 2014.

Both of these investments were fully impaired in prior years.

(c) This represents the Group's investment in the shares of CBM Asia Development Corp. (Symbol: TCF), a Canada listed company.

Due to the long term decline in market value, management considered the fair value loss recognised for this investment is a prolonged decline in market value and an amount of HK$1,702,000 in the investment revaluation reserve was charged to the profit or loss in 2014 (2013: nil).

23. INVENTORIES

GROUP

	2014 HK$'000	2013 HK$'000
Raw materials	**11,520**	58,829
Work in progress	**3,747**	25,131
Finished goods	**2,915**	205,855
	18,182	289,815

The carrying amount of inventories carried at the lower of cost and net realisable value amounted to HK$18,182,000 (2013 – HK$289,815,000). Impairment loss of HK$786,000 were recognised in the financial statements for the year ended 30 September 2014 (2013 – impairment loss of HK$3,304,000).

24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Trade receivables	**76,983**	278,766	**–**	–
Less: impairment provisions	**(973)**	(7,698)	**–**	–
Trade receivables – net	**76,010**	271,068	**–**	–
Prepayments and other receivables	**20,430**	24,525	**806**	595
	96,440	295,593	**806**	595

At the reporting date, the aged analysis of trade receivables, based on invoice date, is as follows:

GROUP

	2014 HK$'000	2013 HK$'000
0 - 60 days	**70,890**	249,687
61 - 90 days	**96**	13,839
91 - 120 days	**–**	10,422
Greater than 120 days	**5,997**	4,818
	76,983	278,766

Trade receivables that were neither past due nor impaired related to a large number of customers for whom there has been no recent history of default.

The Group allows credit periods ranging from 30 to 120 days (2013 – 30 to 120 days) to its trade customers depending on their credit status and geographical location. The Directors consider that the carrying amount of trade and other receivables approximate to their fair values.

24. TRADE AND OTHER RECEIVABLES *(Continued)*

Movements in the provision for impairment of trade receivables are as follows:

GROUP

	2014	2013
	HK$'000	HK$'000
At 1 October	**7,698**	9,959
Impairment losses recognised	**75**	772
Impairment losses reversed	**(540)**	(1,369)
Currency realignment	**137**	36
Uncollectible amounts written off	**(293)**	(1,700)
Disposal of subsidiary undertakings	**(6,104)**	–
At 30 September	**973**	7,698

The Group has provided in full against those receivables where evidence suggests that the amounts outstanding are not recoverable.

The aged analysis of the Group's trade receivables, based on due date, that were past due as at the reporting date but not impaired, is as follows:

GROUP

	2014	2013
	HK$'000	HK$'000
91 - 120 days	**–**	7,017
Greater than 120 days	**5,997**	698
	5,997	7,715

Trade receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality.

25. DERIVATIVE FINANCIAL INSTRUMENTS

GROUP

	2014	2013
	HK$'000	HK$'000
Derivative financial liabilities:		
Forward foreign exchange contracts – cash flow hedges (note a)	**–**	351
Forward foreign exchange contracts – held-for-trading (note b)	**–**	–
	–	351

The fair values for the above contracts have been estimated using relevant market exchange and interest rates.

Notes:

(a) Prior to 30 May 2014, the Group also uses forward foreign exchange contracts to mitigate exposure arising from forecast inventory purchases in US Dollars. All US Dollar forward foreign exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with HKAS 39.

(b) Prior to 30 May 2014, the Group enters into significant medium term currency exposures that are not expected to be off-set by other currency transactions. They are considered to be part of the economic hedge arrangement but have not been formerly designated. The forward foreign exchange contracts relate primarily to forward purchases of US dollars and Euros and the cash flows are expected to occur before March 2014.

The amount recognised in other comprehensive income and in equity during the year was a HK$361,000 charge (2013 – HK$351,000 charge) and this was transferred to the profit or loss on the disposal of the subsidiary undertaking (2013 – transferred to the profit or loss in the same period that the associated inventory impacts profit or loss). The amount transferred to the profit or loss during the year was HK$712,000 charge (2013 – HK$839,000 charge).

26. CASH AND BANK BALANCE

Cash and bank balance include short-term bank deposits carrying interest at prevailing market rates. The Directors consider that the carrying values of the deposits at the reporting date approximate their fair values.

Included in bank and cash balances of the Group are bank balances denominated in Renminbi ("RMB") of HK$8,732,157 (2013 - HK$38,791,000) placed with banks in the PRC. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

27. TRADE AND OTHER PAYABLES

	Group		**Company**	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**35,305**	157,756	**–**	–
Accruals and other payables	**26,718**	108,541	**12,397**	7,441
	62,023	266,297	**12,397**	7,441

At the reporting date, the aged analysis of trade payables, based on invoice date, is as follows:

GROUP

	2014	2013
	HK$'000	HK$'000
0 - 60 days	**22,092**	124,098
61 - 90 days	**4,577**	23,490
Greater than 90 days	**8,636**	10,168
	35,305	157,756

The Directors consider that the carrying amounts of trade and other payables approximate to their fair values.

28. INTEREST-BEARING BANK BORROWINGS

GROUP

	2014	2013
	HK$'000	HK$'000
Bank borrowings (all secured) comprise:		
Bank overdrafts	**–**	14,560
Export invoices/loan financing	**6,020**	17,946
Invoice discounting	**–**	28,114
HKSAR Government-backed bank loans	**–**	2,400
Total overdrafts and bank borrowings	**6,020**	63,020
Bank borrowings are repayable as follows:		
Within one year or on demand	**6,020**	63,020
More than one year, but not exceeding two years	**–**	–
	6,020	63,020
Less: Amounts due within one year shown under current liabilities	**(6,020)**	(63,020)
Amounts due after one year shown under non-current liabilities	**–**	–

The HKSAR Government-backed loan, which is denominated in Hong Kong Dollars, carries a fixed interest rate of 4.5% (2013 – 4.5%) per annum and is repayable in monthly installments in one year.

The bank borrowings which are denominated in Hong Kong Dollars, US Dollars and Sterling, carry variable interest rates linked to the relevant prime rates and fixed interest rates applicable to the country in which the facility has been taken out.

The effective interest rates on the Group's floating rate borrowings range from 2.5% to 5.0% (2013 – 2.5% to 5.0%) per annum.

The fair values of the Group's bank borrowings, determined as the present value of the estimated future cash flows, discounted using the prevailing market rate at the reporting date, approximate to their carrying values.

The details of pledged assets are set out in note 39.

29. OBLIGATIONS UNDER FINANCE LEASES

The Group's finance lease liabilities are repayable as follows:

GROUP

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amount payable under finance leases:				
Within one year	**10**	6,478	**9**	6,112
In the second to fifth years inclusive	**–**	5,011	**–**	4,847
	10	11,489	**9**	10,959
Less: Future finance charges	**(1)**	(530)	**–**	–
Present value of lease obligations	**9**	10,959	**9**	10,959
Less: Amount due for settlement within one year shown under current liabilities			**(9)**	(6,112)
Amount due for settlement after one year shown under non-current liabilities			**–**	4,847

During the year, the Group acquired certain motor vehicles, computer equipment and plant and equipment under finance leases with lease terms ranging from 2 to 4 years (2013 – 2 to 4 years). Interest rates underlying all obligations under finance lease are fixed at their respective contract rates ranging from 3.3% to 7.0% (2013 – 3.3% to 7.0%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Following the disposal of subsidiaries as detailed in note 40, the Group's obligations under finance leases were all disposed except for a finance lease with carrying value of approximately HK$9,000. The fair values of the Group's finance lease obligations, determined by the present value of the estimated future cash flows discounted using the prevailing market rate at the reporting date, approximate to their carrying values.

The Group's obligations under finance leases are secured by the lessors' charge over the leased assets (note 16).

30. PROVISIONS

GROUP

	Onerous contracts HK$'000	Manufacturing reorganisation HK$'000	Total HK$'000
At 1 October 2012	3,012	1,109	4,121
Utilisation of provision	–	(4,328)	(4,328)
(Reversal)/provision for the year	(945)	4,861	3,916
Currency realignment	113	38	151
At 30 September 2013	2,180	1,680	3,860
Utilisation of provision	**(815)**	**(4,329)**	**(5,144)**
Provision for the year	**–**	**3,264**	**3,264**
Currency realignment	**52**	**10**	**62**
Disposal of subsidiary undertakings (note 40)	**(1,417)**	**(625)**	**(2,042)**
At 30 September 2014	**–**	**–**	**–**

	2014 HK$'000	2013 HK$'000
Analysed for reporting purposes as:		
Current liabilities	**–**	3,860

The onerous contract provisions represent the estimated present value of the future lease payments that the Group is presently obligated to make under non-cancelable operating lease contracts, less revenue expected to be earned on those leases, including estimated future sub-lease revenue and applicable dilapidations payable thereon, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The leases have now expired.

The manufacturing reorganisation costs in the current year and prior year relate to retrenchment costs in the Group's UK subsidiaries.

31. DEFINED CONTRIBUTION PLANS

Hong Kong

With effect from 1 December 2000, the Group joined a Mandatory Provident Fund Scheme (the "MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. For the year ended 30 September 2014, the retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to HK$690,000 (2013 – HK$786,000) (note 10), representing contributions payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

Mainland China

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute 8% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. The total contribution made for the year ended 30 September 2014 was HK$3,757,000 (2013 – HK$5,491,000) (note 10). No forfeited contributions may be used by the employer to reduce the existing level of contributions.

Rest of the World

Defined pension contribution schemes are in place in the United Kingdom, France and Australasia, the assets of which are held separately from those of the Group and are held under the control of independent trustees. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions. The total contributions made for the year ended 30 September 2014 was HK$2,984,000 (2013 – HK $4,476,000) (note 10).

32. CONVERTIBLE BONDS

On 15 August 2014, the Company issued convertible bonds in the principal amount of HK$77,000,000 to Kingage International Limited. The convertible bonds do not carry any interest unless the Company redeem any outstanding convertible bonds on maturity, in which case a 2% per annum interest will be accrued on the outstanding convertible bonds on a 365-day basis. The convertible bonds are convertible into 163,336,303 shares of the Company at a conversion price of HK$0.47142 per share (subject to adjustment as detailed in the Company's announcement dated 28 July 2014).

The convertible bonds contain two components: liability and equity components. The equity component is presented in equity under "convertible bonds equity reserve". The effective interest rate of the liability component on initial recognition is 5% per annum, as determined by Ample Appraisal Limited which is an independent valuer.

Group and Company

	2014 **HK$'000**
Face value of convertible bonds issued on 15 August 2014	**77,000**
Equity component	**(4,349)**
	72,651
Imputed interest charged on convertible bonds (note 9)	**450**
Liability component at 30 September 2014	**73,101**

33. RETIREMENT BENEFIT OBLIGATIONS

Up until the sale of the disposal group on 30 May 2014, the Group operated a contributory defined benefit pension plan covering certain of its employees in the UK-based subsidiaries of Spear & Jackson Limited and Bowers Group Limited (the "James Neill Pension Plan", "the Plan"). The benefits covered by the Plan were based on years of service and compensation history. The Plan's assets were held separately from the assets of the Group and were administered by the Plan's trustees and were managed professionally.

The latest formal actuarial valuation of the Plan was carried out at 5 April 2013 by JLT, the then actuarial advisors to the Plan. This 2013 valuation was updated to 30 May 2014, by KPMG LLP, the Company's actuarial advisors, for the purposes of this Annual Report.

The Group's contributions for the period to 30 May 2014 amounted to £1.4 million (approximately HK$17.9 million) (year ended 30 September 2013 – £1.5 million (approximately HK$19.1 million)).

33. RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

The principal financial assumptions used in the updated actuarial valuations at 30 May 2014 and 30 September 2013 for the purpose of the accounting disclosures in this annual report were as follows:

	As at 30 May 2014	As at 30 September 2013
Long term rate of increase in pensionable salaries (note a)	**0.00%**	0.00%
Rate of increase of benefits in payment (note b)	**3.22%**	3.30%
Rate of increase of benefits in payment (note c)	**2.00%**	2.20%
Discount rate	**4.30%**	4.60%
Inflation assumption (Retail Prices Index ("RPI"))	**3.25%**	3.40%
Inflation assumption (Consumer Prices Index ("CPI")) (note d)	**2.25%**	2.40%

Notes:

(a) Pensionable pay was frozen with effect from 5 April 2010.

(b) In respect of pensions in excess of the guaranteed minimum pension in the 1999 and 2001 sections of the Plan.

(c) In respect of guaranteed minimum pension earned after 6 April 1988.

(d) Following changes in applicable legislation, inflationary increases applied to the value of deferred members' pension liabilities have been recalculated using CPI rather than the RPI inflation index.

The life expectancies implied by the mortality assumptions used in the pension's valuation (making allowance for projected future improvements in mortality) are:

Pensioner currently aged 65:	Male 19.3 years	Female 21.3 years
Future pensioner when aged 65:	Male 21.0 years	Female 23.3 years

33. RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

The amount recognised in the consolidated statement of financial position in respect of the Plan for the current year and the prior year is as follows:

	2014 HK$'000	2013 HK$'000 (restated)
Fair value of Plan assets:		
Equities – with quoted market	–	828,748
Bonds – with quoted market	–	301,054
Diversified corporate bonds – with quoted market	–	57,631
Property	–	154,018
Cash	–	15,580
Insurance policies	–	9,902
	–	1,366,933
Present value of funded obligations	–	(1,533,184)
Net liabilities recognised	–	(166,251)

Amounts recognised in the consolidated statement of profit or loss in respect of the Plan are as follows:

	2014 HK$'000	2013 HK$'000 (restated)
Current service cost	2,092	3,570
Administration costs	2,054	2,807
Interest on assets	(41,860)	(53,067)
Interest cost	46,782	61,699
Net pension cost	9,068	15,009

The current service cost charge is included in the employee benefits expense caption in the consolidated statement of profit or loss. The net interest payable is included in the finance costs caption in the consolidated statement of profit or loss.

33. RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

Movements in the present value of the defined benefit obligations are as follows:

	2014	2013
	HK$'000	HK$'000
At 1 October (as originally stated)	**1,533,184**	1,554,618
Effect of change in accounting policy	**–**	(27,134)
At 1 October (restated)	**1,533,184**	1,527,484
Currency realignment	**57,500**	(7,054)
Current service cost	**2,092**	3,570
Administration cost	**2,054**	2,807
Interest cost	**46,782**	61,699
Member contributions	**1,071**	1,760
Benefit payments	**(58,607)**	(75,192)
Actuarial losses – change in demographic assumptions	**31,335**	–
Actuarial losses – change in financial assumptions	**50,464**	18,110
Disposal of subsidiary undertakings	**(1,665,875)**	–
At 30 September	**–**	1,533,184

Changes in the fair values of the Plan's assets are as follows:

	2014	2013
	HK$'000	HK$'000
At 1 October	**1,366,933**	1,309,401
Currency realignment	**51,230**	(2,788)
Employer contributions	**17,877**	19,112
Member contributions	**1,071**	1,760
Interest income	**41,860**	53,067
Benefit payments	**(58,607)**	(75,192)
Return on plan assets (excluding interest)	**15,350**	61,573
Disposal of subsidiary undertakings	**(1,435,714)**	–
At 30 September	**–**	1,366,933

The actuarial valuation showed that the market value of the Plan's assets at 30 September 2013 was HK$1,366,933,000 and that the actuarial value of these assets at 30 September 2013 represented 89% of the benefits that had accrued to members. The shortfall of HK$166,251,000 at 30 September 2013 was subject to variation as, going forward, assumptions and investment conditions may change. The deficit at that time and any future liabilities, as calculated by the Plan actuary, will be cleared in accordance with current UK pension's legislation and after consultation with, and agreement by, the Trustees of the Plan.

34. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised and the movements thereon during the current and prior year.

	Accelerated accounting depreciation HK$'000	Revaluation of properties HK$'000	Retirement benefit obligations HK$'000	Others HK$'000	Tax losses HK$'000	Total HK$'000
At 1 October 2012	11,617	(13,148)	33,052	6,538	1,227	39,286
(Charged) /credited to consolidated statement of profit or loss (restated)	(2,147)	1,892	(13,492)	(2,623)	(444)	(16,814)
Recognition of actuarial losses on defined benefit pension plan in other comprehensive income	–	–	30,225	–	–	30,225
Currency realignment	852	(717)	375	685	100	1,295
At 1 October 2012 (restated)	10,322	(11,973)	50,160	4,600	883	53,992
(Charged) /credited to consolidated statement of profit or loss (note 12)	(1,687)	1,808	(5,595)	(3,074)	(687)	(9,235)
Recognition of actuarial losses on defined benefit pension plan in other comprehensive income	–	–	(11,701)	–	–	(11,701)
Currency realignment	(125)	25	388	(122)	(32)	134
At 30 September 2013	8,510	(10,140)	33,252	1,404	164	33,190
Credited/(charged) to consolidated statement of profit or loss (note 12)	**(2,367)**	**10,414**	**(1,760)**	**(945)**	**–**	**5,342**
Recognition of actuarial losses on defined benefit pension plan in other comprehensive income	**–**	**–**	**13,305**	**–**	**–**	**13,305**
Currency realignment	**245**	**(274)**	**1,240**	**(69)**	**5**	**1,147**
Disposal of subsidiary undertaking (note 40)	**(6,388)**	**–**	**(46,037)**	**(390)**	**(169)**	**(52,984)**
At 30 September 2014	**–**	**–**	**–**	**–**	**–**	**–**

34. DEFERRED TAX *(Continued)*

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2014	2013	2012
	HK$'000	HK$'000	HK$'000
		(restated)	(restated)
Deferred tax assets	**–**	43,330	65,965
Deferred tax liabilities	**–**	(10,140)	(11,973)
	–	33,190	53,992

Up until the disposal of the PGH group of companies on 30 May 2014, the majority of the Group's deferred tax assets related to temporary differences originating in its UK subsidiaries. Such deferred tax balances were provided at 20%.

At the reporting date, based on the estimation of future profit streams, the Group has unrecognised gross deferred tax assets (before applying tax rates prevailing in the respective jurisdictions) in respect of unused tax losses, capital losses, other temporary differences and other tax credits available for offset against future profits, analysed as follows:

	2014	2013
	HK$'000	HK$'000
Unused tax losses	**108,879**	328,231
Capital losses	**–**	120,464
Other temporary differences	**–**	49,494
Other tax credits	**–**	414,123
	108,879	912,312

The Group records deferred tax assets in respect of tax losses and other tax credits only where there is a reasonable expectation that these tax losses and credits will be utilised in the foreseeable future. Based on forecast income streams and having considered potential future earnings volatility, the Group does not anticipate the utilisation of any significant proportion of these unrecognised tax losses and other tax credits or the material reversal of the other deferred tax temporary differences in the foreseeable future. As at 30 September 2013, the tax losses and other tax credits principally arise in Hong Kong, UK, and France and can be carried forward indefinitely. As at 30 September 2014, the tax losses solely arise in Hong Kong and can be carried forward indefinitely.

34. DEFERRED TAX *(Continued)*

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries and associate established in Mainland China in respect of earnings generated from 1 January 2008.

As at 30 September 2014 and 30 September 2013, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China. In the opinion of Directors, it is not probable that these subsidiaries will distribute their earnings accrued after 1 January 2008 in the foreseeable future. The aggregate amount of temporary differences associated with investment in subsidiaries in Mainland China, for which deferred tax liabilities have not been recognised at 30 September 2014, totaled approximately HK$8,186,000 (2013 – HK$5,350,000).

35. SHARE CAPITAL

Ordinary shares of HK$0.10 each

	2014		2013	
	Number of shares	**Amount HK$**	Number of shares	Amount HK$
Authorised:				
At 1 October and 30 September	**1,500,000,000**	**150,000,000**	1,500,000,000	150,000,000
Issued and fully paid:				
At 1 October	**1,007,443,154**	**100,744,315**	993,376,993	99,337,699
Subscription of Shares (note 21)	**147,428,134**	**14,742,813**	–	–
Share options exercised (note 36)	**6,000,000**	**600,000**	14,066,161	1,406,616
At 30 September	**1,160,871,288**	**116,087,128**	1,007,443,154	100,744,315

36. SHARE OPTIONS

(a) Pursuant to a special general meeting of the Company held in April 1994, the Company adopted an executives' share option scheme (the "1994 Scheme") for the primary purpose of providing incentives to the Executive Directors and eligible employees of the Company and its subsidiaries. According to the 1994 Scheme, the Board of Directors of the Company is authorised, at any time within ten years after the adoption date of the 1994 Scheme, to grant options to eligible participants to subscribe for shares in the Company at a subscription price equal to the higher of the nominal value of the shares and an amount, to be determined by a committee administering the 1994 Scheme, which is not less than 80% of the average of the closing prices of the shares on the HKEx on the five trading days immediately preceding the date of the options are offered to the participant.

The total number of shares in respect of which options may be granted under the 1994 Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual is not permitted to exceed 25% of the maximum number of shares that may be issued pursuant to the 1994 Scheme without prior approval from the Company's shareholders.

The offer of a grant of share options under the 1994 Scheme may be accepted within 21 days from the date of the offer together with the payment of nominal consideration of HK$1 in total by the grantee. The exercise period shall be determined by the Board of Directors but not exceeding 10 years from the date of grant.

Share options granted under the 1994 Scheme are fully vested immediately at the date of grant. Options granted to a participant lapse if the participant ceases to be an eligible participant pursuant to the 1994 Scheme before the options are vested or exercised.

	Date of grant	**Exercisable period**	**Exercise price HK$**
1994 Scheme	23.7.2003	23.7.2003 - 22.7.2013	0.286

The number of options outstanding which have been granted to the Directors of the Company under the 1994 Scheme were as follows:

	Outstanding at 1 October 2012	**Exercised during the year**	**Outstanding at 30 September 2013**
Mr. Simon Hsu Nai-cheng	3,773,165	(3,773,165)	—

36. SHARE OPTIONS *(Continued)*

(b) At a special general meeting of the Company held on 30 August 2004, a new share option scheme was adopted (the "2004 Scheme") for the purpose of providing incentives to the Executive Directors and eligible employees of the Company and its subsidiaries. The Board is authorised to grant options to eligible Executive Directors and employees of the Company and its subsidiaries, to subscribe for shares in the Company. The number of underlying shares available under the 2004 Scheme shall not, in aggregate, exceed 5% of the issued shares as at 30 August 2004. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12 months is not permitted to exceed 1% of the issued shares at such time. Options to be offered to any participants who is also an executive director, chief executive officer, substantial shareholder of the Company or any of their respective associates ("Connected Persons") shall require prior approval from the Independent Non-executive Directors of the Company. No option can be granted to Connected Persons in any 12 months that exceeds in aggregate over 0.1% of the issued shares and an aggregate value exceeding HK$5 million based on the closing price of the shares at the date of each grant without prior approval from the Company's shareholders.

The exercise price of the options shall be determined by a committee administering the 2004 Scheme, and shall fall within the following prescribed parameters: they should not be less than (i) the par value of the shares, (ii) the closing price of the shares on the date of grant which must be a business day, and (iii) the average closing price of the shares over 5 consecutive trading days immediately preceding the date of grant.

The offer of a grant of share options under the 2004 Scheme may be accepted within 30 days from the date of the offer together with the payment of nominal consideration of HK$1 in total by the grantee. Options granted are vested for a period of 3 years immediately after the date of grant by one-third on each anniversary. The exercise period shall be determined by the Board of Directors but not exceeding 10 years from the date of grant. Options granted to a participant are lapsed if the participant ceased to be an eligible participant pursuant to the 2004 Scheme before the options are vested or exercised.

36. SHARE OPTIONS *(Continued)*

(b) *(Continued)*

The movements in the number of share options under the 2004 Scheme during the year are as follows:

	Date of grant	Exercise price HK$	Outstanding at 1 October 2013	Granted during the year	Exercised during the year (note ii)	Lapsed during the year	Outstanding at 30 September 2014 (note iii)
Directors	18.6.2012	0.313	13,500,000	–	(6,000,000)	–	**7,500,000**
			13,500,000	–	(6,000,000)	–	**7,500,000**

	Date of grant	Exercise price HK$	Outstanding at 1 October 2012	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30 September 2013
Directors	28.9.2004	0.193	5,151,651	–	(5,151,651)	–	–
	20.12.2004	0.198	4,378,901	–	(4,378,901)	–	–
	18.6.2012	0.313	13,500,000	–	–	–	13,500,000
			23,030,552	–	(9,530,552)	–	13,500,000
Other employees	28.9.2004	0.193	412,131	–	(412,131)	–	–
	20.12.2004	0.198	350,313	–	(350,313)	–	–
			23,792,996	–	(10,292,996)	–	13,500,000

The options granted on 28 September 2004 and 20 December 2004 are vested for a period of three years immediately after the date of grant by one-third on each anniversary and are fully vested on 27 September 2007 and 19 December 2007, respectively. Options granted on those dates are exercisable after one year but not exceeding ten years from the date of grant subject to the vesting conditions stated above.

In view of the contribution of the grantees to the Company, on 10 April 2014, in accordance with the provisions of the 2004 Scheme, the board of directors, at its discretion, determined to allow Mr. David Howard Clarke, Mr. Simon Hsu Nai-Cheng and Mr. Henry Woon-Hoe Lim to exercise the whole of unexercised options and the unvested options to which they are entitled within twelve months commencing on the date of resignation of their office as Directors, and upon expiry of such period, the options granted to them shall lapse.

36. SHARE OPTIONS *(Continued)*

(b) *(Continued)*

Notes:

(i) On 18 June 2012, the Company granted 13,500,000 options to Directors of the Company under the share option scheme of the Company adopted on 30 August 2004. These options entitle the grantees to subscribe for a total of 13,500,000 new ordinary shares with nominal value of HK$0.10 per share in the capital of the Company. The exercise price of the options granted is HK$0.313 per share and they are valid for a period of ten years from 18 June 2012 to 17 June 2022. The options granted are subject to vesting in 3 equal tranches on the first, second and third anniversary of the date of the grant.

The following assumptions were used to derive the fair values of these share options, using the Black-Scholes option pricing model:

Date of grant	18 June 2012
Number of options	13,500,000
Expected volatility	33%
Expected life	3 years
Risk-free interest rate	1.50%
Weighted average share price	HK$ 0.313

The underlying expected volatility was determined by reference to historical data based on the expected life of share options.

Based on the fair values derived from the above pricing model, share-based compensation expenses, included within Directors' emoluments, of HK$208,000 were charged to the profit or loss for the year ended 30 September 2014 (2013 – HK$384,000).

(ii) The weighted average share price at the date of the exercise of the share options exercised during the year was HK$0.64 (2013 – HK$0.571).

(iii) As at 30 September 2014, 7,500,000 (2013 – 13,500,000) share options are exercisable and the weighted average remaining life for those outstanding share options is 2,816 days (2013 – 3,181 days).

37. RESERVES

(a) GROUP

The amounts of the Group's reserves and the movements therein for both the current and prior years are presented in the consolidated statement of changes in equity on pages 31 and 32 of the financial statements.

Share premium account

The movement in the share premium account is as follows:

	2014	2013
	HK$'000	HK$'000
At 1 October	**42,406**	40,195
Issue of shares for acquisition of an associate (note (i))	**81,086**	—
Exercise of share options (note (ii))	**1,456**	2,211
At 30 September	**124,948**	42,406

Note:

(i) As detailed in note 21, the Group in substance acquired Yuji by the issue of 147,428,134 new shares of the Company as consideration to the Vendors of Yuji. The closing price of the Company's shares at the date of completion is HK$0.65 per share and the share premium on 8 April 2014 amounted to approximately HK$81,086,000.

(ii) The following share options were exercised during the year ended 30 September 2014

Date	**Number of options exercised**	**Excercise price HK$**	**Share premium HK$'000**	**Closing price prior to exercise HK$**
September 2014	**6,000,000**	**0.313**	**1,278**	**0.64**
Transfer from share option reserve to share premium account upon exercise of above share options	**–**		**178**	
	6,000,000		**1,456**	

37. RESERVES *(Continued)*

(a) GROUP *(Continued)*

Note: *(Continued)*

(ii) *(Continued)*

The following share options were exercised during the year ended 30 September 2013:

Date	Number of options exercised	Excercise price HK$	Share premium HK$'000	Closing price prior to exercise HK$
March 2013	412,131	0.193	38	0.38
March 2013	350,313	0.198	34	0.38
May 2013	1,030,331	0.193	96	0.47
May 2013	875,780	0.198	86	0.47
June 2013	3,773,165	0.286	702	0.60
June 2013	4,121,320	0.193	384	0.60
June 2013	3,503,121	0.198	343	0.60
	14,066,161		1,683	
Transfer from share option reserve to share premium account upon exercise of above share options	–		528	
	14,066,161		2,211	

Treasury Share Reserve

During the year ended 30 September 2010 the Group obtained at nil cost 14,500,000 of its own shares of HK$0.10 with a value of HK$5,365,000. The relevant shares are available for resale and have been included in a Treasury Share Reserve, shown as a component of Capital and Reserves. During the year ended 30 September 2013, the Group disposed of 1,072,000 treasury shares in the Company for sale proceeds of HK$437,000. This resulted in a gain on the disposal of treasury shares of HK$40,000 which has been taken to other reserves.

The movements in the Treasury Share Reserve are as follows:

	2014		2013	
	Number of shares	**Amount HK$'000**	Number of shares	Amount HK$'000
Treasury shares				
At 1 October	**13,428,000**	**4,968**	14,500,000	5,365
Sold during the year	**–**	**–**	(1,072,000)	(397)
At 30 September	**13,428,000**	**4,968**	13,428,000	4,968

37. RESERVES *(Continued)*

(a) GROUP *(Continued)*

Other Reserve

The other reserve represents the net gain on the disposal of the treasury shares.

Convertible Bonds Equity Reserve

The amount represents the equity component of the convertible bonds issued during the year.

Share Option Reserve

At each reporting date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit or loss over the remaining vesting period, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Capital Reserve

The capital reserve represents a capital reserve arising on a Group reorganisation carried out in 1994.

Translation Reserve

The translation reserve comprises the exchange differences arising on the translation of the financial statements of foreign operations.

Hedging Reserve

The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

Investment Revaluation Reserve

The investment revaluation reserve comprises the change in fair value of the Group's available-for-sale financial assets.

37. RESERVES *(Continued)*

(b) COMPANY

	Share premium HK$'000	Share option reserve HK$'000	Capital redemption reserve HK$'000	Investment revaluation reserve HK$'000	Other reserve HK$'000	Convertible bond equity reserve HK$'000	Contributed surplus HK$'000	Accumulated (losses)/ retained profits HK$'000	Total HK$'000
At 1 October 2012	40,195	657	1,442	(113)	725	–	70,911	(4,772)	109,045
Profit for the year	–	–	–	–	–	–	–	7,980	7,980
Dividends paid (note 13)	–	–	–	–	–	–	–	(14,979)	(14,979)
Deficit on revaluation of available-for-sale financial assets	–	–	–	(681)	–	–	–	–	(681)
Grant of new share options	–	384	–	–	–	–	–	–	384
Exercise of share options	2,211	(528)	–	–	–	–	–	–	1,683
	2,211	(144)	–	(681)	–	–	–	(6,999)	(5,613)
At 30 September 2013	42,406	513	1,442	(794)	725	–	70,911	(11,771)	103,432
Share-based compensation expenses	**–**	**208**	**–**	**–**	**–**	**–**	**–**	**–**	**208**
Issuance of shares for acquisition of associate	**81,086**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**81,086**
Exercise of share options	**1,456**	**(178)**	**–**	**–**	**–**	**–**	**–**	**–**	**1,278**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13,908**	**13,908**
Deficit on revaluation of available-for-sale financial assets	**–**	**–**	**–**	**(957)**	**–**	**–**	**–**	**–**	**(957)**
Impairment of available-for-sale financial assets	**–**	**–**	**–**	**1,702**	**–**	**–**	**–**	**–**	**1,702**
Equity component of convertible bonds	**–**	**–**	**–**	**–**	**–**	**4,349**	**–**	**–**	**4,349**
	82,542	**30**	**–**	**745**	**–**	**4,349**	**–**	**13,908**	**101,574**
At 30 September 2014	**124,948**	**543**	**1,442**	**(49)**	**725**	**4,349**	**70,911**	**2,137**	**205,006**

37. RESERVES *(Continued)*

(b) COMPANY *(Continued)*

Investment Revaluation Reserve

The investment revaluation reserve comprises the change in fair value of the Company's available-for-sale financial assets.

Other Reserve

The other reserve represents the net gain on the disposal of treasury shares. During the year ended 30 September 2012, the Company transferred 14,500,000 of its own shares with a nominal value of HK$0.10 each, which it had obtained at nil cost with a value of HK$5,365,000 in the year ended 30 September 2010, to PHL, a subsidiary undertaking incorporated in the British Virgin Islands, at a consideration of HK$6,090,000. This resulted in a capital gain on disposal of treasury shares of HK$725,000 which has been taken to other reserve. During the year ended 30 September 2013, 1,072,000 Shares were sold to external parties while the remaining 13,428,000 Shares were transferred to another subsidiary of the Group at a consideration of HK$5,639,760.

Convertible Bonds Equity Reserve

The amount represents the equity component of the convertible bonds issued during the year.

Contributed Surplus

The contributed surplus represents the difference between the book values of the underlying assets of one of the Company's subsidiaries, Pantronics Holdings Limited, and its subsidiaries, at the date on which the shares of these companies were acquired, and the nominal amount of the share capital issued by the Company under a Group reorganisation in 1994.

In addition to retained profits, under company law in Bermuda, the contributed surplus account of a company is also available for distribution. However, the Company cannot pay or declare a dividend, or make a distribution out of contributed surplus if: it is, or would after the payment be, unable to pay its liabilities as they become due; or the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

38. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of approximately HK$3,188,000 (2013 – HK$2,475,000) (note 16).

39. PLEDGE OF ASSETS

At 30 September 2013, the banking facilities of the UK subsidiaries of Spear & Jackson Limited and Bowers Group Limited (the "UK Group") comprise a £6,500,000 (approximately HK$81,500,000) composite facility comprising confidential invoice discounting and an overdraft. This facility is secured by certain trade receivables in the UK trading operations of the UK Group, by fixed and floating charges on the assets and undertakings of the UK Group and its trading subsidiaries and by a first fixed charge on the Group's freehold properties in the United Kingdom. The amount drawn down under the confidential invoice facility at 30 September 2013 was HK$28,114,000 which is secured against trade debts of the same amount in the applicable UK Group's trading subsidiaries. The amount drawn down under the overdraft facility at 30 September 2013 was HK$10,529,000. The net book value of the Group's UK freehold properties at 30 September 2013 is approximately HK$107,000,000 over which there is a first fixed charge of approximately HK$63,000,000.

During the year ended 30 September 2008, in accordance with UK pension regulatory requirements, a pension contribution schedule was agreed between the Group and the Trustees of the James Neill Pension Plan covering contributions payable to the Plan. As part of this agreement, the Group executed a second charge in favour of the Plan representing 50% (approximately HK$44,000,000) of the value of the Group's UK freehold land and buildings at Atlas Way, Sheffield (notes 16 and 33).

Other borrowings in the Group's Hong Kong and PRC subsidiaries of approximately HK$6,020,000 (30 September 2013 – HK$24,377,000), comprising overdrafts of HK$Nil (30 September 2013 – HK$4,031,000), Hong Kong Government-backed loans of HK$Nil (30 September 2013 – HK$2,400,000) and export and import loans of HK$6,020,000 (30 September 2013 – HK$17,946,000) have been secured by unlimited cross guarantees provided by the Company and certain Hong Kong and PRC trading subsidiaries and by the Company's corporate guarantees.

40. DISPOSAL OF SUBSIDIARY UNDERTAKINGS

On 30 May 2014, the Company completed the sale of the entire share capital of PGH and PHL, to Kings Victory Limited ("KVL") and New Wave Capital Limited ("NWC"), for a consideration of US$2.5 million (approximately HK$19.4 million) and US$22.5 million (approximately HK$174.6 million), respectively. The Company concluded the sale of its 100% equity interests in PGH and PHL for a net consideration of HK$6.6 million and HK$155.5 million, respectively, after deducting the applicable direct costs on disposal and settlement of shareholder's loans, payable in cash. PGH is the holding company of the Tools, Magnetics Technologies and Precision Measurement divisions and PHL is the holding company of the Contract Manufacturing division.

KVL and NWC are companies incorporated in the British Virgin Islands ("BVI") with limited liability and beneficially owned by Mr. Simon Hsu Nai-Cheng, who up until 30 May 2014, was an Executive Director and the Executive Vice-Chairman of the Company.

On 8 February 2014, the Company entered into a share purchase agreement with KVL and NWC for the sale of the entire share capital of PGH and PHL, respectively. Being substantial in nature, the Listing Rules of The Stock Exchange of Hong Kong Limited required that the transaction be approved by independent shareholders and the approval for this transaction (the "Disposal") was duly obtained at a Special General Meeting held on 1 April 2014. Completion was achieved on 30 May 2014.

The net assets of PGH and PHL at the disposal date were as follows:

	PGH HK$'000	PHL HK$'000	Total HK$'000
Property, plant and equipment	299	19,185	19,484
Prepaid land lease payments under operating leases	–	442	442
Available-for-sale financial assets	754	–	754
Interest in associate	1,014	–	1,014
Deferred tax assets	52,984	–	52,984
Inventories	244,271	39,991	284,262
Trade and other receivables	209,703	61,723	271,426
Cash and bank balances	77,203	82,698	159,901
Trade and other payables	(183,311)	(51,131)	(234,442)
Amounts due from/(owed to) group companies	3,180	(16,820)	(13,640)
Bank overdrafts	(338)	–	(338)
Other interest-bearing bank borrowings	(47,923)	(18,213)	(66,136)
Obligations under finance leases	(9,390)	–	(9,390)
Provisions	(1,742)	(300)	(2,042)
Derivative financial instruments	(611)	–	(611)
Tax payable	(6,580)	(4,369)	(10,949)
Retirement benefit obligations	(230,161)	–	(230,161)

40. DISPOSAL OF SUBSIDIARY UNDERTAKINGS *(Continued)*

	PGH HK$'000	PHL HK$'000	Total HK$'000
Net book value at disposal	**109,352**	**113,206**	**222,558**
Less: Sale proceeds	**(19,375)**	**(160,967)**	**(180,342)**
Add: Transaction costs	**12,758**	**5,441**	**18,199**
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified fom equity to profit or loss on disposal of the subsidiary undertakings	**53,265**	**3,857**	**57,122**
Net loss/(gain) on disposal	**156,000**	**(38,463)**	**117,537**
Satisfied by:			
Net cash considerations after settlement of shareholder's loans	**19,375**	**160,967**	**180,342**
Transaction costs directly attributable to the disposal	**(12,758)**	**(5,441)**	**(18,199)**
	6,617	**155,526**	**162,143**
Net cash inflow arising from the disposal:			
Net cash considerations after settlement of shareholder's loans	**19,375**	**160,967**	**180,342**
Transaction costs directly attributable to the disposal	**(12,758)**	**(5,441)**	**(18,199)**
Cash and cash equivalents disposed of	**(77,203)**	**(82,698)**	**(159,901)**
	(70,586)	**72,828**	**2,242**

41. DISCONTINUED OPERATIONS

On 30 May 2014, the Company concluded the sale of its 100% equity interests in PGH and PHL (collectively, the "Disposal Group"), for a net consideration of HK$6.6 million and HK$155.5 million, respectively, after deducting the applicable direct costs on disposal and settlement of shareholder's loans, payable in cash.

The revenues, results and cash flows of the Disposal Group are as follows:

	Note	**2014 HK$'000**	2013 HK$'000 (restated)
Revenue	5	**875,395**	1,254,485
Cost of sales		**(590,883)**	(844,759)
Gross profit		**284,512**	409,726
Other income	6	**4,923**	6,814
Interest income	7	**755**	1,310
Selling and distribution costs		**(144,197)**	(216,981)
Administrative costs		**(76,079)**	(114,375)
Restructuring costs	8	**(4,112)**	(3,916)
Finance costs	9	**(6,710)**	(11,352)
Share of results of an associate	21	**4,016**	6,922
Realised exchange differences on the liquidation of a subsidiary undertaking recycled from other comprehensive income		**–**	1,186
Cash flow hedge recycled from other comprehensive income		**(712)**	(839)
Impairment loss on non-current assets	42	**(170,283)**	–
	10	**(107,887)**	78,495
Net loss on disposal	40	**(117,537)**	–
(Loss)/profit before tax from discontinued operations		**(225,424)**	78,495
Income tax charge		**(3,246)**	(18,928)
Net results from discontinued operations		**(228,670)**	59,567

The cash flows from the discontinued operations are as follows:

	2014 HK$'000	2013 HK$'000
Net cash generated from operating activities	**24,364**	55,067
Net cash (used in)/generated from investing activities	**(2,841)**	2,008
Net cash generated from/(used in) financing activities	**16,320**	(19,742)
Effect of foreign exchange rate	**(1,330)**	(3,076)
	36,513	34,257

42. IMPAIRMENT LOSS ON NON-CURRENT ASSETS

As discussed in notes 41 above, on 30 May 2014, the Company concluded the disposal of PGH and PHL.

For 31 March 2014 interim financial report purposes, although the Company had entered into an agreement to dispose of PGH and PHL prior to the reporting date, the Disposal Group (including the Tools, Magnetic Technologies, Precision Measurement and Contract Manufacturing divisions) was not classified as held for sales or as a discontinued operation, because the agreement contained certain conditions which affected the immediate availability for sale of PGH and PHL at the reporting date.

However, given that the consideration of US$2,500,000 for PGH and its subsidiaries (collectively the "PGH Group") was significantly lower than its carrying value at 31 March 2014, the non-current assets of each cash generating unit ("CGU") in the PGH Group were tested for impairment. The aggregate impairment losses recognised for each class of asset at 31 March 2014, were as follows:

	Carrying value as at 31 March 2014 HK$'000	Recoverable amount as at 31 March 2014 HK$'000	Impairment of non-current assets HK$'000
Assets of the PGH Group at 31 March 2014			
Property, plant and equipment	**155,050**	**–**	**155,050**
Goodwill	**2,491**	**–**	**2,491**
Other intangible assets	**65**	**–**	**65**
Interest in an associate	**12,677**	**–**	**12,677**
Available-for-sale financial assets	**749**	**749**	**–**
Deferred tax assets	**46,150**	**46,150**	**–**
Inventories	**261,433**	**261,433**	**–**
Trade and other receivables	**229,355**	**229,355**	**–**
Cash and bank balances	**73,026**	**73,026**	**–**
	780,996	**610,713**	**170,283**

The impairment losses were calculated by comparing the recoverable amount to the carrying value of the PGH Group's net assets at 31 March 2014. Impairment losses were allocated to the goodwill and non-current assets of each CGU of the PGH Group as follows:

	Operating segments				
	Tools HK$'000	Precision Measurement HK$'000	Magnetic Technologies HK$'000	Corporate HK$'000	Total HK$'000
Class of assets:					
Property, plant and equipment	**27,218**	**25,500**	**3,587**	**98,745**	**155,050**
Goodwill	**–**	**2,491**	**–**	**–**	**2,491**
Other intangible assets	**65**	**–**	**–**	**–**	**65**
Interest in an associate	**–**	**–**	**12,677**	**–**	**12,677**
	27,283	**27,991**	**16,264**	**98,745**	**170,283**

43. CAPITAL MANAGEMENT POLICIES AND RISK

The Group's objectives are: to provide returns for shareholders; to safeguard the Group's ability to continue as a going concern so that it continues to provide returns and benefits for its stakeholders; to support the Group's stability and growth; and to provide capital for the purpose of strengthening the Group's risk management capability.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders and issue new shares to reduce its debt level.

Consistent with other industries, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing bank borrowings and obligations under finance leases less cash and cash equivalents and pledged bank deposits. Total capital represents total equity, as shown in the consolidated statement of financial position.

	2014	2013
	HK$'000	HK$'000
Total net debt	**N/A**	N/A
Total capital	**402,309**	474,567
Gearing ratio	**N/A**	N/A

44. CONTINGENT LIABILITIES

The Group is, from time to time, subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to personal injury claims, customer contract matters, employment claims and environmental matters.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, the Directors of the Company believe that the aggregate amount of such liabilities, if any, in excess of amounts accrued, will not have a material adverse effect on the consolidated financial position or results of operations of the Group.

As at 30 September 2014 and 2013, the Group and the Company did not have any significant contingent liabilities.

45. FINANCIAL GUARANTEE CONTRACTS

The Company has executed guarantees amounting to HK$6,020,000 (2013 – HK$24,377,000) with respect to general banking facilities granted to a subsidiary of the Company. Under the guarantees, the Company would be liable to pay the bank if the bank is unable to recover the loan and facilities. At the reporting date, no provision for the Company's obligation under the guarantee contract has been made as the Directors considered that it was not probable that the repayments of any loans or facilities would be in default.

46. CAPITAL COMMITMENTS

GROUP

	2014 HK$'000	2013 HK$'000
Authorised but not contracted for:		
Property, plant and equipment	–	2,381

COMPANY

As at 30 September 2014 and 2013, the Company did not have any significant capital commitments.

47. OPERATING LEASE COMMITMENTS

The Group as Lessee

At the reporting date, the Group had commitments for future minimum lease payments under non-cancelable operating leases in respect of rented premises which fall due as follows:

	2014 HK$'000	2013 HK$'000
Operating leases which expire:		
Within one year	1,979	9,989
In the second to fifth years inclusive	807	12,732
Over five years	–	15,217
	2,786	37,938

Operating lease payments represent rentals payable by the Group for certain of its office properties and factories. The leases run for an initial period of 1 to 2 years (2013 – 1 to 83 years), with an option to renew the leases and renegotiate the terms at the expiry date or dates as mutually agreed between the Group and the respective landlords. None of the leases contain contingent rentals.

In respect of non-cancellable operating lease commitments, the following liabilities have been recognised:

	2014 HK$'000	2013 HK$'000
Onerous lease contracts (note 30)		
Within one year	–	2,180

47. OPERATING LEASE COMMITMENTS *(Continued)*

The Group as Lessor

At the reporting date, the Group had contracted with tenants for the following minimum lease payments:

	2014 **HK$'000**	2013 HK$'000
Within one year	**–**	77
In the second to fifth years inclusive	**–**	307
Over five years	**–**	5,176
	–	5,560

Operating lease income represents the rentals receivable by the Group for certain of its leased properties under sub-lease agreements. The leases run for an initial period of 1 to 83 years for the year ended 30 September 2013, with an option to renew the leases and renegotiate the terms at the expiry date or dates as mutually agreed between the Group and the respective tenants.

The Company as Lessee

At the reporting date, the Company had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises as follows:

	2014 **HK$'000**	2013 HK$'000
Operating leases which expire:		
Within one year	**1,383**	787
In the second to fifth years inclusive	**807**	–
	2,190	787

Operating lease payments represent rentals payable by the Company for its office premises. The lease runs for an initial period of 2 years and expires in April 2016. The lease does not contain any contingent rentals.

48. RELATED PARTY TRANSACTIONS

Eclipse Magnetics Limited, which was until 30 May 2014, a subsidiary undertaking of United Pacific Industries Limited, purchases manufactured products directly from Ningbo Hi-tech Assemblies Co. Ltd. ("Ningbo Hi-tech"), a company in which it has a 25% interest (note 21). In the year ended 30 September 2014, goods to the value of approximately HK$25,016,000 (2013 – HK$28,833,000) were purchased from Ningbo Hi-tech. At 30 September 2013, the amount payable to Ningbo Hi-tech was approximately HK$4,520,000.

On 8 February 2014, the Company entered into a disposal agreement with two purchasers, both wholly owned by Mr. Simon Hsu Nai-Cheng, the former Director of the Company who resigned with effect from 30 May 2014, to dispose of its entire interests in Pantronics Holdings Limited and Pantene Global Holdings Limited at a total consideration of US$25 million. The completion of the disposal took place on 30 May 2014.

On 8 February 2014, Rise Up International Limited, a wholly owned subsidiary of the Company, entered into an acquisition agreement to acquire approximately 28.84% of the total issued share capital of Yuji, a company indirectly owned by an associate of Ms. Kelly Lee, the Director of the Company. The acquisition, settled by the Company's shares valued at HK$95.8 million, was completed on 8 April 2014.

Up until 30 May 2014, the Group operated a contributory defined benefit pension plan covering certain of its employees in its then UK based subsidiaries of Spear & Jackson Limited and Bowers Group Limited ("the Plan"). The Group pays contributions to the Plan each year according to a schedule of contributions agreed between the Plan trustees and the Group. Full details of the contributions paid by the Group to the Plan during the year are disclosed in note 33.

Other than the emoluments paid to the Executive Directors of the Company, as disclosed in note 11, who are also considered as the key management of the Group and the transactions referred to above, the Group has not entered into any other related party transactions.

49. FINANCIAL RISK MANAGEMENT AND POLICIES

The Group is exposed to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and equity price risk), fair value risk, credit risk and liquidity risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the Board of Directors. The Group does not have written risk management policies. However, the Board of Directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks.

Foreign currency risk

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Prior to 30 May 2014, the Group's principal operating subsidiaries carry out their operations in the PRC (including Hong Kong), the UK, France, Australasia and Canada. After 30 May 2014, the Group's subsidiaries carry out their operations in the PRC. Entities in the Group regularly transact in currencies other than their respective functional currencies with regard to the selling and purchase of products. As a consequence of the various trading activities, certain trade receivables and borrowings of the Group are denominated in foreign currencies. While the Group has no formal hedging policy, it does seek to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency exposure risks.

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Foreign currency risk *(Continued)*

Prior to 30 May 2014, the Group's foreign currency risk is mainly concentrated on the fluctuation of the US Dollar against the Pound Sterling, Australian Dollar and the RMB and the fluctuation of the Euro against Pound Sterling. After 30 May 2014, the Group's foreign currency risk is mainly concentrated on the fluctuation of US Dollar against RMB.

	2014 Group		**2014 Company**	
	Euro	**US$**	**Euro**	**US$**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Trade receivables	**–**	**–**	**–**	**–**
Cash and cash equivalents	**–**	**–**	**–**	**–**
Trade payables	**–**	**–**	**–**	**–**
Borrowings	**–**	**–**	**–**	
Net exposure arising from recognised financial assets and liabilities	**–**	**–**	**–**	**–**
Notional amounts of forward foreign exchange contracts	**–**	**–**	**–**	**–**

	2013 Group		2013 Company	
	Euro	US$	Euro	US$
	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables	6,802	15,190	–	–
Cash and cash equivalents	1,287	–	–	–
Trade payables	(1,109)	(33,852)	–	–
Borrowings	–	(14,599)	–	–
Net exposure arising from recognised financial assets and liabilities	6,980	(33,261)	–	–
Notional amounts of forward foreign exchange contracts	–	(34,057)	–	–

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Foreign currency risk *(Continued)*

The following table details the Group's sensitivity to a 5% increase or decrease in relation to the above currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The positive figures represent an increase in the profit for the year where the Renminbi yuan strengthens against the US dollar; an increase in profit where Pound sterling strengthens against the US dollar; an increase in profit where Australian dollar strengthens against the US dollar and a decrease in profit where Pound sterling strengthens against the Euro. For a 5% weakening of the various currencies, there would be an equal and opposite impact on the profit and loss account.

	2014	2013
	HK$'000	HK$'000
Pound sterling to US dollar	**–**	933
Australian dollar to US dollar	**–**	374
Renminbi yuan to US dollar	**–**	356
Pound sterling to Euro	**–**	349

Interest rate risk

The Group's exposure to interest rate risk relates principally to its interest-bearing bank borrowings. Prior to 30 May 2014, the interest-bearing bank borrowings have floating and fixed interest rates and are mainly denominated in Hong Kong Dollars, Pound Sterling and US Dollars. After 30 May 2014, the interest-bearing bank borrowings have floating interest rates and mainly denominated in Hong Kong Dollars. The interest rates and terms of repayment of interest-bearing bank borrowings of the Group are disclosed in note 28. At present, the Group does not intend to seek to hedge its exposure to interest rate fluctuations. However, the Group will constantly review the economic situation and its interest rate profile and will consider appropriate hedging measures in the future which may be necessary.

The net interest charge experienced by the Group is HK$6.7 million (2013 – restated net interest charge of HK$10.5 million). If there were a 1% increase/(decrease), the net interest costs would increase/(decrease) by approximately HK$0.1 million (2013 – restated net interest costs of HK$0.6 million).

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments as disclosed in note 22. Certain of those investments are publicly quoted equities and are subject to variations in value. However, they represent a small percentage of the Group's net assets and the risk is minimal.

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Fair value risk

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial assets and liabilities.

Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Group is exposed to concentration risk as a significant portion of its business is derived from its largest customers. As at 30 September 2014, trade receivables of HK$76,049,000 (2013 – HK$108,193,000) were contributed by the top five customers. In order to minimise any credit risk, the management of the Group has delegated a team to be responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt on a regular basis to ensure that adequate impairment losses are made for irrecoverable amounts. Additionally, in certain markets, specific export guarantee insurance is taken out to minimise any credit risk. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced. Management does not expect any significant losses of trade receivables that have not been provided for by way of an allowance.

The credit risk on liquid funds is limited because the counterparts are banks with high credit ratings assigned by international credit-rating agencies.

As at 30 September 2014, the maximum exposure to credit risk in respect of financial guarantees issued by the Company was HK$6,020,000 (2013: HK$24,377,000) which represented the maximum amount the Company could be required to pay if the guarantees were called on.

Liquidity risk

The Group's objective is to ensure that adequate funds are available to meet commitments associated with its financial liabilities.

The Group manages its liquidity needs by carefully monitoring short-term and long-term cash outflows on a regular basis. The Group mainly utilises cash to meet its liquidity requirements for periods up to 30 days. Funding for long-term liquidity needs will be considered when liquidity requirements in the long term are identified.

The table below analyses the Group's and the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

At 30 September 2014

GROUP

	Within one year or on demand HK$'000	More than one year but less than five years HK$'000	Total undiscounted amount HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities:				
Trade payables	35,305	–	35,305	35,305
Accruals and other payables	26,718	–	26,718	26,718
Interest-bearing bank borrowings	6,120	–	6,120	6,020
Convertible bonds (note 32)	–	80,080	80,080	73,101
Obligations under finance leases	10	–	10	9
	68,153	80,080	148,233	141,153

COMPANY

	Within one year or on demand HK$'000	More than one year but less than five years HK$'000	Total undiscounted amount HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities:				
Accruals and other payables	12,397	–	12,397	12,397
Convertible bonds (note 32)	–	80,080	80,080	73,101
	12,397	80,080	92,477	85,498
Issued financial guarantee contracts:				
Maximum amount guaranteed (note 45)	6,020	–	6,020	–

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

At 30 September 2013

GROUP

	Within one year or on demand HK$'000	More than one year but less than five years HK$'000	Total undiscounted amount HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities:				
Trade payables	157,756	–	157,756	157,756
Accruals and other payables	108,541	–	108,541	108,541
Interest-bearing bank borrowings	63,079	–	63,079	63,020
Obligations under finance leases	6,478	5,011	11,489	10,959
Provisions for onerous contracts	2,180	–	2,180	2,180
	338,034	5,011	343,045	342,456
Derivative financial liabilities:				
Gross settled forward foreign exchange contracts:				
– cash inflow	33,593	–	33,593	
– cash outflow	(33,242)	–	(33,242)	
	351	–	351	

COMPANY

	Within one year or on demand HK$'000	More than one year but less than five years HK$'000	Total undiscounted amount HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities:				
Accruals and other payables	7,441	–	7,441	7,441
Amounts due to subsidiaries	127,261	–	127,261	127,261
	134,702	–	134,702	134,702
Issued financial guarantee contracts:				
Maximum amount guaranteed (note 45)	24,377	–	24,377	–

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Categories of financial assets and liabilities by category

The carrying amounts of financial assets and liabilities presented in the consolidated statement of financial position relates to the following categories:

Financial assets:

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loans and receivables:				
Cash and cash equivalents	**287,181**	187,565	**268,839**	18,641
Trade and other receivables	**96,440**	295,593	**806**	595
Amounts due from subsidiaries	**–**	–	**113,979**	220,351
Available-for-sale financial assets	**237**	1,921	**237**	1,194
	383,858	485,079	**383,861**	240,781

Financial liabilities:

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Financial liabilities measured at amortised cost:				
Trade and other payables	**62,023**	266,297	**12,397**	7,441
Interest-bearing bank borrowings	**6,020**	63,020	**–**	–
Obligations under finance leases	**9**	10,959	**–**	–
Provision for onerous contracts	**–**	2,180	**–**	–
Convertible bonds	**73,101**	–	**73,101**	–
Amounts due to subsidiaries	**–**	–	**–**	127,261
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	**–**	351	**–**	–
	141,153	342,807	**85,498**	134,702

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Fair value measurements recognised in the statement of financial position

The fair value of forward foreign exchange contracts are determined using quoted market exchange rates at the end of the reporting period.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities that are measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2014 Group				2013 Group			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets:								
Available-for-sale investments								
– Listed	**237**	**–**	**–**	**237**	1,194	–	–	1,194
Total	**237**	**–**	**–**	**237**	1,194	–	–	1,194
Liabilities:								
Forward foreign exchange contracts	**–**	**–**	**–**	**–**	–	351	–	351
	–	**–**	**–**	**–**	–	351	–	351
Net fair value	**237**	**–**	**–**	**237**	1,194	(351)	–	843

	2014 Company				2013 Company			
Assets:								
Available-for-sale investments								
– Listed	**237**	**–**	**–**	**237**	1,194	–	–	1,194
Net fair value	**237**	**–**	**–**	**237**	1,194	–	–	1,194

49. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

Listed Securities

The fair value of the listed securities is determined with reference to their quoted bid prices at the reporting date and has been translated using the spot foreign currency rates at the end of the reporting period where appropriate.

Derivatives

The fair value of derivatives is estimated using market interest rates as disclosed in note 25 to the financial statements.

FINANCIAL SUMMARY

RESULTS

	Years ended 30 September				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Continuing operations					
Turnover	1,145,529	1,276,962	1,468,610	226,282	**286,249**
Cost of sales	(807,472)	(906,164)	(1,030,994)	(195,072)	**(244,786)**
Gross profit	338,057	370,798	437,616	31,210	**41,463**
Other income	18,960	7,204	4,354	716	**61,033**
Interest income	5,618	12,292	11,796	122	**87**
Selling and distribution costs	(191,733)	(219,036)	(223,534)	(9,936)	**(12,106)**
Administrative costs	(100,704)	(104,081)	(144,058)	(25,149)	**(37,754)**
Restructuring costs	(21,047)	(11,135)	(3,284)	–	**–**
Other non-operating costs	(2,015)	–	–	–	**–**
Finance costs	(6,915)	(5,573)	(3,921)	(625)	**(814)**
Share of results of an associate	1,959	2,848	4,452	–	**9,583**
Costs on acquisition of a subsidiary	(772)	–	–	–	**–**
Cash flow hedge recycled from other comprehensive income	(1,502)	(2,076)	1,361	–	**–**
Realied exchange differences on the liquidation of a subsidiary undertaking recycled from other comprehensive income	–	–	600	–	**–**
Profit/(loss) before tax from continuing operations	39,906	51,241	85,382	(3,662)	**61,492**
Income tax charge	(12,877)	(17,471)	(24,808)	(2,529)	**(11,581)**
Profit/(loss) for the year from continuing operations	27,029	33,770	60,574	(6,191)	**49,911**
Net result from discontinued operation	(30,608)	3,979	–	59,567	**(228,670)**
(Loss)/profit for the year	(3,579)	37,749	60,574	53,376	**(178,759)**
Attributable to owners of the Company	(3,579)	37,749	60,574	53,376	**(178,759)**
Dividends paid	4,924	–	4,887	14,777	**–**

Note: Prior year figures have been restated to account for the impact of adoption of revised Hong Kong Accounting Standards as described in Note 2 to financial statement.

	Years ended 30 September				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
(Loss)/earnings per share from continuing and discontinued operations					
Basic	(0.37 cents)	3.86 cents	6.20 cents	5.42 cents	**(16.78) cents**
Diluted	N/A	3.85 cents	6.18 cents	5.42 cents	**(16.31) cents**
Earnings/(loss) per share from continuing operations					
Basic	2.86 cents	3.45 cents	6.20 cents	(0.63) cents	**4.69 cents**
Diluted	2.74 cents	3.44 cents	6.18 cents	(0.63) cents	**4.60 cents**

ASSETS AND LIABILITIES

	At 30 September				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	980,887	918,481	977,516	1,008,923	**556,636**
Total liabilities	(629,248)	(499,910)	(574,716)	(534,356)	**(154,327)**
	351,639	418,571	402,800	474,567	**402,309**
Equity attributable to:					
Owners of the Company	351,639	418,571	402,800	474,567	**402,309**

Note: Prior year figures have been restated to account for the impact of adoption of revised Hong Kong Accounting Standards as described in Note 2 to financial statement.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director:

Ms. Kelly Lee

Non-executive Directors:

Dato' Choo Chuo Siong *(Chairman)*
Mr. Sun Jih-Hui

Independent Non-executive Directors:

Dr. Wong Ho Ching
Mr. Lan Yen-Po
Ms. Hu Gin Ing

AUDIT COMMITTEE

Ms. Hu Gin Ing *(Chairman)*
Dr. Wong Ho Ching
Mr. Lan Yen-Po

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Dr. Wong Ho Ching *(Chairman)*
Mr. Lan Yen-Po
Ms. Hu Gin Ing

REMUNERATION COMMITTEE

Ms. Hu Gin Ing *(Chairman)*
Dr. Wong Ho Ching
Mr. Lan Yen-Po

REGISTERED OFFICE

Clarendon House,
2 Church Street, Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 503C, 5/F Golden Centre
188 Des Voeux Road Central, Hong Kong
Tel : (852) 2802 9988, Fax : (852) 2802 9163
Websites: www.upi.com.hk, www.irasia.com/listco/hk/upi

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street, Hamilton HM 11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

BDO Limited

COMPANY SECRETARY

Ms. Chan Wing Yi

United Pacific Industries
聯 太 工 業

Tel : (852) 2802 9988 Fax : (852) 2802 9163
Websites: www.upi.com.hk, www.irasia.com/listco/hk/upi