The following is the text of a report, prepared for the sole purpose of inclusion in this document, received from the Company's independent reporting accountants, [●], Certified Public Accountants, Hong Kong.

[●]

The Directors
Runway Global Holdings Company Limited

[●]

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Runway Global Holdings Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), including the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013 (the "Relevant Periods"), and the combined statements of financial position of the Group as at 31 December 2011 and 2012 and 31 May 2013, together with explanatory notes thereon, for inclusion in the document of the Company dated [●] (the "Document").

The Company was incorporated in the Cayman Islands on 19 June 2013 as an exempted company with limited liability under the Laws of Cayman Islands.

Pursuant to a corporate reorganisation (the "Reorganisation") as described in note 2.1 of section II of this report, the Company became the holding company of the subsidiaries now comprising the Group. The Company has not carried on any business since the date of its incorporation save for the aforementioned Reorganisation.

The Group is principally engaged in manufacturing and trading of apparels. The Company and its subsidiaries have adopted 31 December as their financial year end date. Particulars of the subsidiaries comprising the Group are set out in note 1 of section II of this report.

No audited financial statements have been prepared for the Company, Great Entrepreneur Investments Limited ("Great Entrepreneur") and Transformed Holdings Limited ("Transformed Holdings") as they are newly incorporated and have not been involved in any significant business transactions except for the Reorganisation. No audited financial statements have been prepared for Runway Fashions, Inc. ("Runway US") since the date of its incorporation as it is not involved in any significant business transaction which is not subject to statutory audit requirements under its place of incorporation.

The statutory financial statements of Runway Global Limited ("Runway HK") for the years ended 31 December 2011 and 2012 were audited by Ka Lun Lam & Co., certified public accountants and [●], certified public accountants respectively. These statutory financial statements were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The statutory financial statements of Jiaxing Runway Global Garment Limited (時尚環球服飾(嘉興)有限公司) ("Runway Jiaxing") for the years ended 31 December 2011 and 2012 were audited by Zhejiang Zhongming Certified Public Accountants Company Limited (浙江中銘會計師事務所有限公司), a firm of certified public accountants registered in the People's Republic of China ("PRC"). All these statutory financial statements were prepared in accordance with the relevant accounting principles and accounting rules applicable to enterprises established in the PRC.

For the purpose of the Financial Information of this report, the directors of the Company have prepared the combined financial statements (the "Underlying Financial Statements") of the Group for the Relevant Periods in accordance with the basis set out in note 2.2 of section II and accounting policies set out in note 5 of section II which conform with HKFRSs issued by the HKICPA. The Financial Information set out in this report has been prepared by the directors based on the Underlying Financial Statements with no adjustments made thereon.

Respective responsibility of directors and reporting accountants

The directors of the Company are responsible for the contents of the Document, including the preparation and the true and fair presentation of the Financial Information prepared in accordance with the basis of presentation set out in note 2.2 of section II and accounting policies set out in note 5 of section II, the disclosure requirements of the Hong Kong Companies Ordinance and applicable Rules, and for such internal control as the directors determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Financial Information and to report our opinion to you.

Basis of opinion

For the purpose of this report, we have carried out audit procedures on the Underlying Financial Statements for the Relevant Periods in accordance with Hong Kong Standards on Auditing (the "HKSAs") issued by the HKICPA. We have examined the Financial Information in accordance with the Auditing Guideline 3.340 "[●]" issued by the HKICPA and have carried out such additional procedures on the Financial Information as we considered necessary.

Opinion

In our opinion, the Financial Information set out below, for the purpose of this report, prepared on the basis of presentation set out in note 2.2 of section II and in accordance with accounting policies set out in note 5 of section II below, give a true and fair view of the combined results and cash flows of the Group for the Relevant Periods and of the state of affairs of the Group as at 31 December 2011 and 2012 and 31 May 2013.

Comparative financial information

For the purpose of this report, we have also reviewed the unaudited financial information of the Group including the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows of the Group for the five months ended 31 May 2012, together with explanatory notes thereto (the "Comparative Financial Information"), for which the directors of the Company are responsible, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The directors of the Company are responsible for the preparation of the Comparative Financial Information in accordance with the basis of presentation set out in note 2.2 of section II and the accounting policies set out in note 5 of section II below, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the [●]. Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures to the Comparative Financial Information. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

On the basis of our review, which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Comparative Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

Combined Statements of Comprehensive Income

		Year ended 31 December		Five months ended 31 May	
		2011	**2012**	**2012**	**2013**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	*8*	306,314	331,088	67,526	60,859
Cost of sales		(239,751)	(249,866)	(55,819)	(48,003)
Gross profit		66,563	81,222	11,707	12,856
Other income and gains	*9*	186	303	96	106
Changes in fair value of derivative financial instruments	*23*	2,071	2,332	2,837	3,721
Selling and distribution expenses		(26,834)	(23,786)	(6,907)	(7,055)
Administrative expenses		(27,309)	(30,482)	(11,156)	(14,278)
Other operating expenses		(1,918)	—	—	—
Finance costs	*10*	(1,011)	(1,288)	(342)	(212)
Profit/(Loss) before income tax	*11*	11,748	28,301	(3,765)	(4,862)
Income tax (expense)/credit	*14*	(2,331)	(5,149)	665	338
Profit/(Loss) for the year/period attributable to the owners of the Company		9,417	23,152	(3,100)	(4,524)
Other comprehensive income, net of tax, attributable to the owners of the Company					
Item that may be reclassified subsequently to profit or loss:					
Exchange gain/(loss) on translation of financial statements of foreign operations		1,144	141	(301)	510
Total comprehensive income for the year/period attributable to the owners of the Company		10,561	23,293	(3,401)	(4,014)

Combined Statements of Financial Position

	Notes	As at 31 December 2011 HK$'000	As at 31 December 2012 HK$'000	As at 31 May 2013 HK$'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*17*	20,850	18,373	17,776
Payments for leasehold land held for own use under operating leases	*18*	2,178	2,140	2,154
Deferred tax assets	*29*	14	—	356
		23,042	20,513	20,286
Current assets				
Inventories	*19*	23,790	27,275	42,060
Trade and bill receivables	*20*	40,109	49,575	24,569
Deposits, prepayments and other receivables	*21*	16,215	13,196	15,097
Amounts due from directors	*22*	5,895	—	4,593
Derivative financial instruments	*23*	1,477	1,486	4,547
Pledged bank deposits	*24*	6,074	8,801	8,544
Cash and cash equivalents	*25*	14,037	37,550	31,978
		107,597	137,883	131,388
Current liabilities				
Trade and bill payables	*26*	67,348	73,431	52,724
Accruals, other payables and receipts in advance	*27*	15,689	20,899	15,025
Amounts due to directors	*22*	—	2,515	830
Interest-bearing borrowings	*28*	3,679	2,060	28,424
Provision for taxation		1,548	2,340	2,025
		88,264	101,245	99,028
Net current assets		19,333	36,638	32,360
Total assets less current liabilities		42,375	57,151	52,646
Non-current liabilities				
Interest-bearing borrowings	*28*	649	418	317
Net assets		41,726	56,733	52,329
EQUITY				
Equity attributable to the owners of the Company				
Share capital	*30*	3,008	3,008	3,008
Reserves	*31*	38,718	53,725	49,321
Total equity		41,726	56,733	52,329

Combined Statements of Changes in Equity

	Share capital	Statutory reserve	Translation reserve	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(note 31(a))	*(note 31(b))*		
At 1 January 2011	3,008	801	4,180	27,027	35,016
Interim dividend paid *(note 15)*	—	—	—	(3,851)	(3,851)
Transaction with the owners during the year	—	—	—	(3,851)	(3,851)
Profit for the year	—	—	—	9,417	9,417
Other comprehensive income					
— Exchange gain on translation of financial statements of foreign operations	—	—	1,144	—	1,144
Total comprehensive income for the year	—	—	1,144	9,417	10,561
Profit appropriation to reserve	—	83	—	(83)	—
At 31 December 2011 and 1 January 2012	3,008	884	5,324	32,510	41,726
Interim dividend paid *(note 15)*	—	—	—	(8,286)	(8,286)
Transaction with the owners during the year	—	—	—	(8,286)	(8,286)
Profit for the year	—	—	—	23,152	23,152
Other comprehensive income					
— Exchange gain on translation of financial statements of foreign operations	—	—	141	—	141
Total comprehensive income for the year	—	—	141	23,152	23,293
Profit appropriation to reserve	—	351	—	(351)	—
At 31 December 2012	3,008	1,235	5,465	47,025	56,733

Combined Statements of Changes in Equity *(Continued)*

	Share capital *HK$'000*	Statutory reserve *HK$'000* *(note 31(a))*	Translation reserve *HK$'000* *(note 31(b))*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 January 2013	3,008	1,235	5,465	47,025	56,733
Interim dividend paid *(note 15)*	—	—	—	(390)	(390)
Transaction with the owners during the period	—	—	—	(390)	(390)
Loss for the period	—	—	—	(4,524)	(4,524)
Other comprehensive income					
— Exchange gain on translation of financial statements of foreign operations	—	—	510	—	510
Total comprehensive income for the period	—	—	510	(4,524)	(4,014)
At 31 May 2013	3,008	1,235	5,975	42,111	52,329
For the five months ended 31 May 2012 (unaudited):					
At 1 January 2012	3,008	884	5,324	32,510	41,726
Interim dividend paid *(note 15)*	—	—	—	(6,286)	(6,286)
Transaction with the owners during the period (unaudited)	—	—	—	(6,286)	(6,286)
Loss for the period	—	—	—	(3,100)	(3,100)
Other comprehensive income					
— Exchange loss on translation of financial statements of foreign operations	—	—	(301)	—	(301)
Total comprehensive income for the period (unaudited)	—	—	(301)	(3,100)	(3,401)
At 31 May 2012 (unaudited)	3,008	884	5,023	23,124	32,039

Combined Statements of Cash Flows

	Notes	Year ended 31 December 2011	2012	Five months ended 31 May 2012	2013
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Cash flows from operating activities					
Profit/(Loss) before income tax		11,748	28,301	(3,765)	(4,862)
Adjustments for:					
Bank interest income	*9*	(23)	(27)	(10)	(11)
Interest expenses	*10*	1,011	1,288	342	212
Amortisation of payments for leasehold land held for own use under operating leases	*11*	52	54	22	23
Depreciation of property, plant and equipment	*11*	3,215	3,227	1,330	1,250
Impairment loss on other receivables	*11*	1,918	—	—	—
Loss/(Gain) on disposals of property, plant and equipment	*11*	7	(2)	—	(17)
Write-down of inventories to net realisable value	*11*	293	—	—	—
Changes in fair value of derivative financial instruments		(2,071)	(2,332)	(2,837)	(3,721)
Operating profit/(loss) before working capital changes		16,150	30,509	(4,918)	(7,126)
Increase in inventories		(10,803)	(3,370)	(8,555)	(14,443)
Decrease/(Increase) in trade and bill receivables		15,518	(9,460)	3,985	25,013
(Increase)/Decrease in deposits, prepayments and other receivables		(3,535)	3,177	(150)	(1,489)
Increase/(Decrease) in trade and bill payables		22,614	5,873	(20,636)	(21,276)
Increase/(Decrease) in accruals, other payables and receipts in advance		347	5,087	(3,580)	(5,970)
Settlement of derivative financial instruments		1,073	2,323	587	660
Cash generated from/(used in) operations		41,364	34,139	(33,267)	(24,631)
Income tax paid		(965)	(4,344)	(449)	(333)
Net cash generated from/(used in) operating activities		40,399	29,795	(33,716)	(24,964)

Combined Statements of Cash Flows *(Continued)*

		Year ended 31 December		Five months ended 31 May	
		2011	2012	2012	2013
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cash flows from investing activities					
Purchases of property, plant and equipment		(1,568)	(613)	(188)	(392)
Proceeds from disposals of property, plant and equipment		95	7	1	43
(Increase)/Decrease in amounts due from directors		(3,721)	5,895	(6,371)	(4,593)
(Increase)/Decrease in pledged bank deposits		(909)	(2,709)	301	316
Interest received		23	27	10	11
Net cash (used in)/generated from investing activities		(6,080)	2,607	(6,247)	(4,615)
Cash flows from financing activities					
Dividend paid		(3,851)	(2,286)	(286)	(390)
Interest paid		(1,011)	(1,288)	(342)	(212)
Decrease in amounts due to directors		(981)	(3,489)	(5,148)	(1,694)
Proceeds of interest-bearing borrowings		91,434	172,649	72,012	54,676
Repayments of interest-bearing borrowings		(108,287)	(174,502)	(36,562)	(28,413)
Net cash (used in)/generated from financing activities		(22,696)	(8,916)	29,674	23,967
Net increase/(decrease) in cash and cash equivalents		11,623	23,486	(10,289)	(5,612)
Cash and cash equivalents at beginning of the year/period		2,279	14,037	14,037	37,550
Effect of foreign exchange rates, net		135	27	(33)	40
Cash and cash equivalents at end of the year/period		14,037	37,550	3,715	31,978

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 June 2013. The registered office of the Company is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands.

The Group is principally engaged in manufacturing and trading of apparels.

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies with limited liability, the particulars of which are set out as follows:

Name	Place/country and date of incorporation/ establishment and kind of legal entity	Particulars of issued paid-in capital	Effective interest held by the Company direct	indirect	Principal activities
Great Entrepreneur	British Virgin Islands ("BVI"), 21 May 2013, limited liabilities company	4 ordinary shares of United States dollar ("US$") 1 each	100%	—	Investment holding
Transformed Holdings	BVI, 21 May 2013, limited liabilities company	4 ordinary shares of US$1 each	100%	—	Investment holding
Runway HK	Hong Kong, 12 October 2001, limited liability company	3,000,000 ordinary shares of HK$1 each	—	100%	Investment holding and trading of apparels
Runway Jiaxing	PRC, 9 October 2003, limited liability company	US$2,000,000	—	100%	Manufacturing and trading of apparels
Runway US	United States of America ("USA"), 4 April 2003, limited liability company	1,000 ordinary shares of US$1 each	—	100%	Provision of designing, marketing and advertising services

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

2.1 Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the [●]. The reorganisation involved the following:

Incorporation and reorganisation of the Company

(a) The Company was incorporated on 19 June 2013 in the Cayman Islands as an exempted company with limited liability;

(b) On 19 June 2013, one subscriber share with a par value of HK$0.01 which was allotted and issued nil paid was transferred to All Divine Limited ("All Divine") at nil consideration;

(c) On 19 June 2013, one share with a par value of HK$0.01 was allotted and issued nil paid to Fortune Zone Global Limited ("Fortune Zone").

Incorporation of Great Entrepreneur

(a) On 21 May 2013, Great Entrepreneur was incorporated in the BVI with limited liability with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each;

(b) On 10 June 2013, 1 share of Great Entrepreneur was allotted and issued to each of Mr. Hubert Tien ("Mr. Tien") and Mr. Farzad Gozashti ("Gozashti") at its par value of US$1.00.

Incorporation of Transformed Holdings

(a) On 21 May 2013, Transformed Holdings was incorporated in the BVI with limited liability with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each;

(b) On 10 June 2013, 1 share of Transformed Holdings was allotted and issued to each of Mr. Tien and Mr. Gozashti at its par value of US$1.00.

Reorganisation of Runway HK

On 22 October 2013, Great Entrepreneur acquired the entire issued share capital of Runway HK from Mr. Tien and Mr. Gozashti. In exchange, Great Entrepreneur allotted and issued 1 share to each of Mr. Tien and Mr. Gozashti credited as fully paid.

Reorganisation of Runway US

On 7 November 2013, Transformed Holdings acquired the entire issued share capital of Runway US from Mr. Tien and Mr. Gozashti. In exchange, Transformed Holdings allotted and issued 1 share to each of Mr. Tien and Mr. Gozashti credited as fully paid.

Reorganisation of Great Entrepreneur

On 22 November 2013, the Company acquired the entire issued share capital of Great Entrepreneur from Mr. Tien and Mr. Gozashti. In exchange, the Company allotted and issued 500,000 shares to each of All Divine and Fortune Zone credited as fully paid under the instructions of Mr. Tien and Mr. Gozashti respectively.

Reorganisation of Transformed Holdings

On 22 November 2013, the Company acquired the entire issued share capital of Transformed Holdings from Mr. Tien and Mr. Gozashti. In exchange, the Company allotted and issued 499,999 shares, credited as fully paid, to each of All Divine and Fortune Zone and credited as fully paid at par the 1 nil paid share held by each of All Divine and Fortune Zone under the instructions of Mr. Tien and Mr. Gozashti respectively.

2.2 Basis of presentation

Pursuant to the Reorganisation, the Company became the holding company of the subsidiaries now comprising the Group.

All the companies comprising the Group were controlled directly or indirectly by Mr. Tien and Mr. Gozashti (the "Controlling Shareholders") during the Relevant Periods and there were no changes in Controlling Shareholders' control in these subsidiaries immediately after the Reorganisation. For the purpose of management and development of the Group, an agreement was reached among the Controlling Shareholders when they first found the Group to act together as a single group of shareholders to manage and control the business and operations of the Group on collective basis and the Controlling Shareholders make collective decisions in respect of the financial and operating policies of the Group so as to obtain economic benefits from the Group.

Accordingly, the Financial Information and Comparative Financial Information have been prepared using the merger basis of accounting as if the Reorganisation had occurred as of the beginning of the earliest period presented and the current group structure had always been in existence.

The combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Relevant Periods include the results and cash flows of all companies now comprising the Group, as if the current structure had been in existence throughout the Relevant Periods, or since their respective dates of incorporation or establishment, where there is a shorter period. The combined statements of financial position of the Group as at 31 December 2011 and 2012 and 31 May 2013 have been prepared to present the state of affairs of the Group as if the current group structure had been in existence as at the respective dates.

The assets and liabilities of the companies comprising the Group are combined using the existing book values. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

All intra-group transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. BASIS OF PREPARATION

The Financial Information and the Comparative Financial Information have been prepared in accordance with the basis of presentation set out in note 2.2 and in accordance with the accounting policies in note 5 which comply with HKFRSs, which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA. The Financial Information and the Comparative Financial Information also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the [●]. All HKFRSs effective for the accounting periods commencing from 1 January 2013 and relevant to the Group, have been adopted by the Group in the preparation of the Financial Information and the Comparative Financial Information consistently throughout the Relevant Periods to the extent required or allowed by the transitional provisions in the HKFRSs. The Financial Information and the Comparative Financial Information have been prepared under historical cost convention, except for derivative financial instruments which are stated at fair values.

It should be noted that accounting estimates and assumptions are used in the preparation of the Financial Information and the Comparative Financial Information. 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 Information and the Comparative Financial Information are disclosed in note 6.

The Financial Information and the Comparative Financial Information are presented in Hong Kong dollar ("HK$") which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

4. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

The following new/revised standards, potentially relevant to the Group's Financial Information, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments[2]
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities[1]
HKAS36	Recoverable Amount Disclosures for Non-Financial Assets[1]
HK(IFRIC)-Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 January 2015

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that 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.

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these new and amended HKFRSs is not expected to have a material impact on the Group's Financial Information and the Comparative Financial Information.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Financial Information and the Comparative Financial Information are summarised below. These policies have been consistently applied to all the years/periods presented unless otherwise stated.

5.1 Basis of consolidation

The Financial Information incorporates the financial statements of the Company and its subsidiaries comprising the Group for the Relevant Periods. As explained in note 2.2 above, the acquisition of the subsidiaries under common control has been accounted for using merger accounting.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the Combined Financial Information and the Comparative Financial Information. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

5.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the Financial Information from the date that control commences until the date that control ceases.

5.3 Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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 at 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 year/period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

5.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful life, using straight-line method as follows:

Buildings	20 years
Leasehold improvements	4 to 5 years, or over the lease terms, whichever is shorter
Machinery	10 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	4 to 5 years

The assets' estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in 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 profit or loss during the period in which they are incurred.

5.5 Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on straight-line method as an expense.

5.6 Leasing

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

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on straight-line method over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

5.7 Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Cash and cash equivalents

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has 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:

— significant financial difficulty of the debtor;

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

— granting concession to a debtor because of debtor's financial difficulty; and

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

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and 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 financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Financial liabilities at amortised cost

The Group classifies its financial liabilities as financial liabilities at amortised cost, including trade and bill payables, accruals and other payables, amounts due to directors and interest-bearing borrowings.

(a) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective interest method.

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

(b) Other financial liabilities

All other financial liabilities are recognised initially at their fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

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

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer 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 original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

5.8 Derivative financial instruments

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss for the year/period.

5.9 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average 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.

5.10 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

5.11 Revenue recognition

Revenue is measured at the 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 return, discounts, rebate and sales related taxes. Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Interest income is accrued on a time-proportion basis on the principal outstanding at the applicable interest rate; and

Sample income is recognised at the time when the transfer of significant risks and rewards of ownership to the customer, this is usually taken as the time when the samples are delivered and the customer has accepted the samples.

5.12 Income taxes

Income taxes for the year/period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. 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. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

5.13 Employee benefit

(i) Defined contribution retirement plan

The Group entities incorporated in Hong Kong manages a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee for those employees who are eligible to participate in the MPF scheme. The Group makes contributions based on a percentage of the eligible employees' salaries funded by the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme.

The Group entities established in the PRC make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

In addition, the Group entities incorporated in the USA make monthly contributions to a defined contribution scheme under federal program for the local staff. The Group makes contributions based on a percentage of the local staff's salaries funded by the Group and are charged to profit or loss as they become payable in accordance with the rules of the scheme.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the reporting date are discounted to their present value.

5.14 Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment and payments for leasehold land held for own use under operating leases to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 years. A reversal of an impairment loss is recognised as income immediately.

5.15 Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying 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 profit or loss in the period in which they are incurred.

5.16 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5.17 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker i.e. the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's line of business.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in the Financial Information and the Comparative Financial Information prepared under HKFRSs.

5.18 Related parties

(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.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(a) Income taxes

Determining income tax provisions requires the Group to make judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(b) Impairment of receivables

Provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer and the related parties. If the financial conditions of the customers and other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

(c) Impairment of inventories

Management of the Group reviews the inventories at each reporting date, and makes allowance for impairment of obsolete, slow-moving and impaired items. Management estimates the net realisable value for such inventories based primarily on the expected future market conditions and the estimated selling price. The Group makes allowance for impairment if the net realisable value is below the carrying amount.

(d) Fair value of derivatives financial instruments

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. The estimated fair value of unlisted shares includes some assumptions not supported by observable market prices and rates.

7. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the Relevant Periods, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in manufacturing and trading of apparels. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

The Company is an investment holding company and the principal places of the Group's operations are in the PRC and Hong Kong. Management determines the Group is domiciled in Hong Kong, which is the Group's principal operating location.

The Group's revenue from external customers is divided into the following geographical areas:

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
The USA	216,102	217,669	25,840	29,050
Canada	80,942	109,495	40,487	30,600
Others	9,270	3,924	1,199	1,209
	306,314	331,088	67,526	60,859

Geographical location of external customers is based on the location at which the customers are domiciled. No revenue which grouped in "Others" at the above table attributed to Hong Kong, the place that the Group domiciled, or other geographical areas amounted to 10% or more of the Group's total revenue during the Relevant Periods.

The principal non-current assets held by the Group are located in the PRC. Insignificant non-currents assets from Hong Kong, the place that the Group domiciled, or other geographical areas amounted to 10% or more of the Group's non-currents assets at the end of each of the reporting period.

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenue. During each of the Relevant Periods, revenue derived from these customers are as follows:

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Customer A	80,942	109,495	40,487	30,600
Customer B *(note)*	53,973	48,142	8,159	N/A
Customer C *(note)*	49,903	54,301	N/A	N/A
Customer D *(note)*	47,006	38,092	N/A	12,706

Note: Revenue from Customer B for the five months ended 31 May 2013, revenue from Customer C for the five months ended 31 May 2012 and 2013, and revenue from Customer D for the five months ended 31 May 2012 contributed less than 10% of the Group's total revenue for the year/period respectively.

As at 31 December 2011 and 2012 and 31 May 2013, 46%, 66% and 78% respectively of the Group's trade receivables was due from these customers.

8. REVENUE

Revenue, which is also the Group's turnover, represents the sales of apparels, net of return, discounts, rebate and sales related taxes, during the Relevant Periods.

9. OTHER INCOME AND GAINS

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Gain on disposals of property, plant and equipment	—	2	—	17
Interest income	23	27	10	11
Sample income	157	5	—	—
Sundry income	6	269	86	78
	186	303	96	106

10. FINANCE COSTS

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Interest expenses on interest-bearing borrowings wholly repayable within five years *(note)*	952	1,241	321	198
Interest expenses on obligations under finance leases	59	47	21	14
	1,011	1,288	342	212

Note: The analysis shows the finance costs of interest-bearing borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the banking facilities. For the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, interest expenses on interest-bearing borrowings which contain a repayment on demand clause amounted approximately to HK$713,000, HK$977,000 and HK$197,000 (five months ended 31 May 2012 (unaudited): HK$315,000) respectively.

11. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging/(crediting):

	Year ended 31 December		Five months ended 31 May	
	2011	2012	2012	2013
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Amortisation of payments for leasehold land held for own use under operating leases	52	54	22	23
Auditor's remuneration	52	200	100	100
Cost of inventories recognised as expense	239,751	249,866	55,819	48,003
Write-down of inventories to net realisable value *(note a)*	293	—	—	—
Depreciation of property, plant and equipment	3,215	3,227	1,330	1,250
Losses on exchange differences, net	1,344	1,362	400	370
Impairment loss on other receivables *(note b)*	1,918	—	—	—
Loss/(Gain) on disposals of property, plant and equipment	7	(2)	—	(17)
Operating lease charges in respect of land and buildings	3,157	3,197	1,337	1,367
Employee benefit expenses (including directors' emoluments) *(note 12)*	37,817	44,517	15,398	15,993

Notes:

(a) Write-down of inventories was included in "cost of sales" in the combined statements of comprehensive income.

(b) Impairment loss on other receivables was included in "other operating expenses" in the combined statements of comprehensive income.

12. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December		Five months ended 31 May	
	2011	2012	2012	2013
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages and salaries	33,714	40,167	13,740	14,172
Pension scheme contribution — defined contribution plans	1,702	2,082	808	832
Other benefits	2,401	2,268	850	989
	37,817	44,517	15,398	15,993

13. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments of each of the directors for the Relevant Periods are set out below:

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2011				
Executive directors:				
Mr. Tien	—	576	12	588
Mr. Gozashti	—	588	—	588
	—	1,164	12	1,176
Independent non-executive directors:				
Mr. Lai Man Sing	—	—	—	—
Mr. Tang Shu Pui, Simon	—	—	—	—
Mr. Tang Tsz Kai, Kevin	—	—	—	—
	—	—	—	—
Total emoluments	—	1,164	12	1,176
Year ended 31 December 2012				
Executive directors:				
Mr. Tien	—	1,376	14	1,390
Mr. Gozashti	—	1,391	—	1,391
	—	2,767	14	2,781
Independent non-executive directors:				
Mr. Lai Man Sing	—	—	—	—
Mr. Tang Shu Pui, Simon	—	—	—	—
Mr. Tang Tsz Kai, Kevin	—	—	—	—
	—	—	—	—
Total emoluments	—	2,767	14	2,781

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Five months ended 31 May 2012 (unaudited)				
Executive directors:				
Mr. Tien	—	445	5	450
Mr. Gozashti	—	450	—	450
	—	895	5	900
Independent non-executive directors:				
Mr. Lai Man Sing	—	—	—	—
Mr. Tang Shu Pui, Simon	—	—	—	—
Mr. Tang Tsz Kai, Kevin	—	—	—	—
	—	—	—	—
Total emoluments (unaudited)	—	895	5	900
Five months ended 31 May 2013				
Executive directors:				
Mr. Tien	—	588	6	594
Mr. Gozashti	—	593	—	593
	—	1,181	6	1,187
Independent non-executive directors:				
Mr. Lai Man Sing	—	—	—	—
Mr. Tang Shu Pui, Simon	—	—	—	—
Mr. Tang Tsz Kai, Kevin	—	—	—	—
	—	—	—	—
Total emoluments	—	1,181	6	1,187

(b) Five highest paid individuals

The five highest paid individuals of the Group included 2 directors for the Relevant Periods whose emoluments are reflected in note 13(a).

The analysis of the emoluments of the remaining 3 highest paid individuals for the Relevant Periods, whose emolument fell within the band of nil to HK$1,000,000, are set out below:

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries, allowances and benefits in kind	1,570	1,771	450	491
Pension scheme contributions	24	28	15	19
	1,594	1,799	465	510

(c) During the Relevant Periods, no director or any of the highest paid individuals waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

14. INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Current income tax				
Hong Kong profits tax:				
— Tax for the year/period	1,762	3,975	—	—
PRC enterprise income tax ("EIT"):				
— Tax for the year/period	527	1,141	—	—
United States Federal corporate income tax:				
— Tax for the year/period	13	19	19	15
	2,302	5,135	19	15
Deferred tax *(note 29)*				
— Tax for the year/period	29	14	(684)	(353)
	2,331	5,149	(665)	(338)

(i) BVI and Cayman Islands income tax

Pursuant to the rules and regulations of the BVI and the Cayman Islands, the Group is not subject to any taxation under these jurisdictions during the Relevant Periods.

(ii) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% for each of the Relevant Periods on the estimated assessable profits for subsidiary incorporated in Hong Kong.

(iii) PRC EIT

PRC EIT is provided at the rates applicable to the subsidiary in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purpose based on existing PRC income tax regulations, practice and interpretation thereof.

Runway Jiaxing is subject to a preferential tax rate of 12.5% under the transitional preferential policies of the EIT law for the year ended 31 December 2011 and at the standard tax rate of 25% for the year ended 31 December 2012 and the five months ended 31 May 2013.

(iv) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law issued on 6 December 2007, a 10% withholding income tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding income tax. The withholding income tax rate applicable to the Group is 5%.

(v) United States Federal corporate income tax

United States Federal corporate income tax is calculated at 15% for each of the Relevant Periods on the estimated assessable profits for the subsidiary incorporated in the USA.

A reconciliation of the income tax expense/(credit) applicable to profit/(loss) before income tax at the statutory tax rate to the income tax expense at the effective tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit/(Loss) before income tax	11,748	28,301	(3,765)	(4,862)
Tax calculated at the rates applicable to profits in the tax jurisdiction concerned	2,036	4,824	(855)	(927)
Tax effect of non-deductible expenses	512	337	190	589
Tax effect on tax exemption/relief	(217)	(12)	—	—
Income tax expense/(credit)	2,331	5,149	(665)	(338)

15. DIVIDENDS

During the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, Runway HK had distributed interim dividends of approximately HK$3,851,000, HK$8,286,000 and HK$390,000 (five months ended 31 May 2012 (unaudited): HK$6,286,000) to the owners of the Company respectively.

	Year ended 31 December		Five months ended 31 May	
	2011	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interim dividends	3,851	8,286	6,286	390

The rates of dividend and number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of the report.

16. [●]

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvement	Machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2011						
Cost	16,354	5,595	2,943	7,096	1,000	32,988
Accumulated depreciation	(2,291)	(2,892)	(1,010)	(4,435)	(645)	(11,273)
Net carrying amount	14,063	2,703	1,933	2,661	355	21,715
Year ended 31 December 2011						
Opening net carrying amount	14,063	2,703	1,933	2,661	355	21,715
Additions	—	17	494	583	474	1,568
Disposals	—	—	(87)	—	(15)	(102)
Depreciation	(754)	(1,042)	(286)	(996)	(137)	(3,215)
Exchange differences	634	92	93	41	24	884
Closing carrying amount	13,943	1,770	2,147	2,289	701	20,850
At 31 December 2011 and 1 January 2012						
Cost	17,113	5,828	3,309	7,808	1,364	35,422
Accumulated depreciation	(3,170)	(4,058)	(1,162)	(5,519)	(663)	(14,572)
Net carrying amount	13,943	1,770	2,147	2,289	701	20,850
Year ended 31 December 2012						
Opening net carrying amount	13,943	1,770	2,147	2,289	701	20,850
Additions	—	—	274	339	—	613
Disposals	—	—	(5)	—	—	(5)
Depreciation	(780)	(1,024)	(313)	(927)	(183)	(3,227)
Exchange differences	106	9	17	5	5	142
Closing carrying amount	13,269	755	2,120	1,706	523	18,373
At 31 December 2012 and 1 January 2013						
Cost	17,247	5,867	3,586	8,172	1,072	35,944
Accumulated depreciation	(3,978)	(5,112)	(1,466)	(6,466)	(549)	(17,571)
Net carrying amount	13,269	755	2,120	1,706	523	18,373

	Buildings	Leasehold improvement	Machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Five months ended 31 May 2013						
Opening net carrying amount	13,269	755	2,120	1,706	523	18,373
Additions	—	—	5	175	212	392
Disposals	—	—	—	(10)	(16)	(26)
Depreciation	(326)	(432)	(135)	(286)	(71)	(1,250)
Exchange differences	224	8	35	10	10	287
Closing carrying amount	13,167	331	2,025	1,595	658	17,776
At 31 May 2013						
Cost	17,542	5,951	3,653	8,309	1,153	36,608
Accumulated depreciation	(4,375)	(5,620)	(1,628)	(6,714)	(495)	(18,832)
Net carrying amount	13,167	331	2,025	1,595	658	17,776

At 31 December 2011 and 2012 and 31 May 2013, the Group's buildings were situated in the PRC and were held under medium-term leases.

At 31 December 2011 and 31 May 2013, the Group's buildings with carrying amounts of approximately HK$13,943,000 and HK$7,030,000 were pledged for interest-bearing borrowings of approximately HK$617,000 and HK$63,000 respectively (note 28).

At 31 December 2011 and 2012 and 31 May 2013 the Group's obligations under finance leases (note 32(a)) were secured by the lessors' title to the leased assets, which have carrying amounts of HK$835,000, HK$607,000 and HK$512,000 respectively.

18. PAYMENTS FOR LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES

	2011	2012	2013
	HK$'000	*HK$'000*	*HK$'000*
Carrying amount at 1 January	2,182	2,230	2,194
Amortisation	(52)	(54)	(23)
Exchange differences	100	18	37
Carrying amount at 31 December/31 May	2,230	2,194	2,208
Current portion *(note 21)*	(52)	(54)	(54)
Non-current portion	2,178	2,140	2,154

At 31 December 2011 and 2012 and 31 May 2013, the Group's payments for leasehold land held for own use under operating leases in the PRC were under medium-term leases.

At 31 December 2011 and 31 May 2013, the Group's payments for leasehold land held for own use under operating leases amount of approximately HK$2,230,000 and HK$2,208,000 was pledged for interest-bearing borrowings of approximately HK$617,000 and HK$63,000 respectively (note 28).

19. INVENTORIES

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Raw materials and consumables	7,728	8,983	16,875
Work in progress	1,731	813	1,522
Finished goods	14,331	17,479	23,663
	23,790	27,275	42,060

20. TRADE AND BILL RECEIVABLES

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	36,590	41,583	23,081
Bill receivables	3,519	7,992	1,488
	40,109	49,575	24,569

Trade receivables are recognised at their original invoice amounts which represented their fair values at initial recognition. The Group's trade receivables are attributable to a number of independent customers with credit terms. Bill receivables are received from independent customers under the ordinary course of business. The Group normally allows a credit period of 10 days to 60 days to its customers.

Trade and bill receivables are non-interest bearing. The directors of the Company consider that the fair values of trade and bill receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

Ageing analysis of trade receivables based on invoice date as at the end of each reporting period is as follows:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
0 to 30 days	13,927	8,334	9,457
31 to 60 days	15,370	20,065	6,234
61 to 90 days	4,655	9,208	4,935
91 to 180 days	2,578	3,881	2,374
Over 180 days	60	95	81
	36,590	41,583	23,081

At the end of each reporting period, the Group reviewed trade receivables for evidence of impairment on both individual and collective basis. The Group recognised impairment loss on individual assessment based on the accounting policy stated in note 5.7(ii). The Group did not hold any collateral as security over the trade receivables. For some of the Group's major customers, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection) which offered trade receivable credit protection arrangement against the Group's trade receivables. As at 31 December 2011 and 2012 and 31 May 2013, trade receivables of approximately HK$21,073,000, HK$14,536,000 and HK$3,744,000 were under such arrangements of which if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank.

Ageing analysis of trade receivables based on due dates as at the end of each reporting period is as follows:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Neither past due nor impaired	26,177	23,835	14,625
Not more than 90 days past due	10,210	17,652	8,345
91 days to not more than 180 days past due	143	1	30
181 days to not more than 1 year past due	43	—	2
More than 1 year past due	17	95	79
	36,590	41,583	23,081

Trade receivables which were neither past due nor impaired related to customers for whom there were no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit history, the directors of the Company believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Other receivables, gross	9,904	11,751	9,792
Less: Provision for impairment losses	(1,918)	(1,918)	(1,918)
Other receivables, net	7,986	9,833	7,874
Deposits	5,186	1,917	2,009
Prepayments	2,991	1,392	5,160
Payments for leasehold land held for own use under operating leases	52	54	54
	16,215	13,196	15,097

Other receivables that were neither past due nor impaired related to counterparties for whom there were no recent history of default. The directors of the Company consider that other receivables that were neither past due nor impaired at the end of each of the reporting period under review are of good credit quality.

The movement in the provision for impairment of other receivables is as follows:

	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
At 1 January	—	1,918	1,918
Provision for impairment	1,918	—	—
At 31 December/31 May	1,918	1,918	1,918

The directors of the Company consider that the fair values of other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

22. AMOUNTS DUE FROM/(TO) DIRECTORS

The amounts due are unsecured, interest-free and repayable on demand. The balance as at 31 May 2013 were subsequently settled or paid before the date of this report.

Amounts due from directors disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance is as follows:

	As at 1 January 2011	Maximum balance outstanding during 2011	As at 31 December 2011	Maximum balance outstanding during 2012	As at 31 December 2012	Maximum balance outstanding during 2013	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Directors:							
Mr. Tien	—	17,491	3,721	25,006	—	9,587	4,593
Mr. Gozashti	2,174	2,190	2,174	2,291	—	—	—
	2,174		5,895		—		4,593

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses foreign exchange structured forward contracts to mitigate exchange rate exposure of US$ and Renminbi ("RMB") against HK$. The foreign exchange structured forward contracts are stated at fair value, which have been measured as described in note 5.8. During the years ended 31 December 2011 and 2012 and the five months ended 31 May 2013, net fair value gain of approximately HK$2,071,000, HK$2,332,000 and HK$3,721,000 (five months ended 31 May 2012 (unaudited): HK$2,837,000) were recognised and included in "changes in fair value of derivative financial instruments" in the combined statements of comprehensive income respectively.

Normally, the derivative financial instruments contracts entered into by the Group are not traded on active markets. The fair values of such contracts are determined by a firm of independent professional valuers. The valuation is based on the underlying conditions in the contracts and the market information at the valuation dates. The independent professional valuers compared the spot rate with the rate specified in the forward contracts and determined the calculation as specified in the forward contracts. The independent professional valuers calculated the net cashflow of the forward contracts for each trade date interval, assessed the present value of net cashflow for each trade date interval and derived the market value of the forward contracts as at the valuation dates. The valuation of the structured forward contracts required consideration of all pertinent factors affecting the underlying value of the Group, which are the operations of its business and ability to generate future investment returns. The factors considered in the valuation including but not limited to the history of the Group, the nature and the performance of the Group's business, the economic and industry outlooks affecting the Group's business, the historical data of the foreign exchange market, the risks facing by the Group and the historical exchange rates. The independent professional valuers assumed that there will be no material changes from political, legal, economic or financial aspects in the jurisdiction and no substantial market fluctuation in the industry, current interest rates and foreign currency rates in the jurisdictions which the Group currently runs or intends to run its business which will materially affect the revenue attributable to the Group. It maximises the use of observable market inputs, including foreign currency rates and interest rates.

24. PLEDGED BANK DEPOSITS

Pledged bank deposits represent deposits pledged to banks as securities for bill payables (note 26) at each of the reporting date and interest-bearing borrowings of the Group (note 28) at 31 May 2013.

Pledged bank deposits carried interest at average market rates from 0.1% to 3.3% per annum and will be released upon the completion of bill payables transactions and settlement of interest-bearing borrowings. The carrying amount of the Group's pledged bank deposits are denominated in HK$, RMB and US$.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash at banks and in hand. Cash at banks carried interest at average market rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2011 and 2012 and 31 May 2013, the Group has cash and cash equivalents, including pledged bank deposits denominated in RMB amounting to approximately HK$5,552,000, HK$5,755,000 and HK$5,930,000 placed with the banks in the PRC respectively. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government. Under the PRC'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 the banks that are authorised to conduct foreign exchange business.

26. TRADE AND BILL PAYABLES

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	64,263	63,120	41,465
Bill payables	3,085	10,311	11,259
	67,348	73,431	52,724

Credit periods of trade payables normally granted by its suppliers were ranging from 15 to 120 days.

Ageing analysis of trade payables based on invoice date as at the end of each reporting period is as follows:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
0 to 30 days	20,611	18,803	18,207
31 to 60 days	10,225	11,678	8,358
61 to 90 days	9,076	4,585	3,492
91 to 180 days	12,782	13,251	5,451
Over 180 days	11,569	14,803	5,957
	64,263	63,120	41,465

Bill payables are normally settled on 180 days' credit terms. As at 31 December 2011 and 2012 and 31 May 2013, bill payables were secured by the Group's pledged bank deposits (note 24).

All amounts are short-term and hence the carrying amounts of trade and bill payables are considered to be a reasonable approximation of their fair values.

27. ACCRUALS, OTHER PAYABLES AND RECEIPTS IN ADVANCE

	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*
Accruals	4,362	5,461	4,026
Other payables	10,603	11,384	7,819
Receipts in advance	724	4,054	3,180
	15,689	20,899	15,025

The carrying amounts of accruals and other payables are short-term and hence their carrying values are considered to be a reasonable approximation of their fair values.

28. INTEREST-BEARING BORROWINGS

	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*
Current portion:			
Bank loans, secured and guaranteed *(note a)*	—	—	21,009
Bank loans, secured *(note b)*	617	—	63
Bank loans, guaranteed *(note c)*	2,844	1,828	7,115
	3,461	1,828	28,187
Obligations under finance leases, secured *(note 32(a))*	218	232	237
	3,679	2,060	28,424
Non-current portion:			
Obligations under finance leases, secured *(note 32(a))*	649	418	317
	4,328	2,478	28,741

Notes:

(a) These were secured by pledged bank deposits with carrying values of approximately HK$4,151,000 (note 24) and personal guarantees by the directors of the Company. The personal guarantees will be subsequently replaced by corporate guarantee of the Company upon the [●].

(b) These were secured by the Group's buildings (note 17) and payments for leasehold land held for own use under operating leases (note 18).

(c) As at 31 December 2011 and 2012, the bank loans were secured by personal guarantees by the directors of the Company and the Special Loan Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region. As at 31 May 2013, the bank loans were secured by personal guarantees by the directors of the Company, the Special Loan Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region and/or SME Financing Guarantee Scheme executed by the Hong Kong Mortgage Corporation Limited. The personal guarantees will be subsequently replaced by corporate guarantee of the Company upon the [●].

As at 31 December 2011 and 2012 and 31 May 2013, the current liabilities include interest-bearing borrowings of approximately HK$1,828,000, HK$752,000 and HK$2,641,000 that are not scheduled to repay within one year. They are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion. None of the portion of these interest-bearing borrowings due for repayment after one year which contain a repayment on demand clause and that is classified as a current liabilities is expected to be settled within one year.

At the end of each reporting period, total current and non-current interest-bearing borrowings were scheduled to repay as follows:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	1,851	1,308	25,783
More than one year, but not exceeding two years	1,307	998	1,115
More than two years, but not exceeding five years	1,170	172	1,843
	4,328	2,478	28,741

Note: The amounts due are based on the scheduled repayment dates in the banking facilities and ignore the effect of any repayment on demand clause.

The interest-bearing borrowings carry interest at rates per annum ranging as follows:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
Fixed-rate borrowings	6.0% to 6.7%	6.0%	2.8% to 6.2%
Variable-rate borrowings:			
— Prime/standard rate of the banks	5.8%	5.8%	3.5% to 6.6%
— PRC National benchmark interest rate	6.9%	—	—%

29. DEFERRED TAX

Details of the deferred tax liabilities of the Group recognised and movements during the Relevant Periods are as follows:

	Accelerated depreciation	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2011	43	—	43
Deferred taxation charged to profit or loss *(note 14)*	(29)	—	(29)
At 31 December 2011 and 1 January 2012	14	—	14
Deferred taxation charged to profit or loss *(note 14)*	(14)	—	(14)
At 31 December 2012 and 1 January 2013	—	—	—
Deferred taxation credited to profit or loss *(note 14)*	—	353	353
Exchange differences	—	3	3
At 31 May 2013	—	356	356

As at 31 December 2011 and 2012 and 31 May 2013, the aggregate amount of temporary differences associated with the PRC subsidiary's undistributed retained earnings for which deferred tax liabilities have not been recognised are approximately HK$2,416,000, HK$6,015,000 and HK$4,856,000 respectively. No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of this subsidiary and it is probable that such differences will not be reversed in the foreseeable future.

30. SHARE CAPITAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 June 2013. As at the date of incorporation, the Company had an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of par value of HK$0.01 each.

The share capital balances in the combined statements of financial position as at 31 December 2011 and 2012 represented the issued share capital of Runway HK and Runway US. The share capital balance in the combined statement of financial position as at 31 May 2013 represented the issued share capital of Great Entrepreneur, Transformed Holdings, Runway HK and Runway US.

31. RESERVES

Details of the movements on the Group's reserves during the Relevant Periods are set out in the combined statements of changes in equity.

(a) Statutory reserve

According to the relevant PRC laws, the subsidiary is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiary's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the subsidiary.

(b) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Movements in this account are set out in the combined statements of changes in equity.

32. LEASE COMMITMENTS

(a) Finance lease commitments

The Group leased its office equipment under finance leases with an average lease term of 5 years. The Group's obligation under finance leases are secured by the lessors' title to the leased assets.

Interest rate underlying all obligations under finance leases is fixed at respective contract date at 6% per annum.

Future minimum rental payables at the end of each reporting period are as follows:

	As at 31 December		**As at 31 May**
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	264	264	264
In the second to fifth years	704	440	330
	968	704	594
Less: Future finance charges	(101)	(54)	(40)
Present value of minimum lease payments	867	650	554

Present value of minimum lease payments at the end of each reporting period included in the combined statements of financial position are as follows:

	As at 31 December		As at 31 May
	2011	2012	2013
	HK$'000	*HK$'000*	*HK$'000*
Interest-bearing borrowings — Current portion	218	232	237
Interest-bearing borrowings — Non-current portion	649	418	317
	867	650	554

(b) Operating lease commitments

Future minimum rental payables under non-cancellable operating leases of the Group in respect of land and buildings at the end of each reporting period are as follows:

	As at 31 December		As at 31 May
	2011	2012	2013
	HK$'000	*HK$'000*	*HK$'000*
Within one year	2,547	2,876	2,641
In the second to fifth years	3,453	3,445	1,992
	6,000	6,321	4,633

The Group leases certain properties under operating leases. The leases run for an initial period of 3 months to 5 years. None of these leases include any contingent rentals.

33. CONTINGENT LIABILITIES

The Group's subsidiary, Runway HK involved a contract dispute with an independent third-party product supplier of the Group, which was the respondent ("Respondent"). The Respondent was established in the PRC where is the Respondent's main operation.

In January 2011, Runway HK outsourced the manufacturing process of certain ladies apparel to the Respondent and placed certain purchase orders (the "Purchase Orders") to purchase the finished apparel (the "Goods") from the Respondent. Total purchase price for the Goods pursuant to the Purchase Orders was approximately US$342,000 (the "Contract Price") and the Goods were scheduled to be shipped to a number of the Group's customers in the United States.

In August 2011, at the time when the Goods were being shipped, there were mistakes in the shipping documents, prepared by the Respondent. Runway HK considered that such mistakes would lead to USA customs to seize the Goods for a long period of time for their inspection and investigation, and therefore requested the Goods to be sent back to the PRC for re-shipping. The Respondent did not comply with Runway HK's instruction and did not deliver the Goods to the Group's customers or to the Group. Instead, the Respondent kept the Goods in its own possession.

It is specified in the Purchase Orders, that in case of non-delivery within the contracted time for shipment, the Respondent shall be responsible for any consequences arising therefrom. Further, it is also provided that in the event of interruption of transportation or other causes or circumstances beyond the control of Runway HK, Runway HK shall be entitled to cancel the Purchase Orders without payment to the Respondent.

While Runway HK did not pay the Contract Price of approximately US$342,000 to the Respondent, Runway HK had, upon the Respondent's request, paid the Respondent a total of approximately US$130,000 (the "Paid Amount") for shipment expenses. This amount has been agreed by the Respondent to be used for offsetting part of the Contract Price.

In October 2011, upon the Respondent's offer, Runway HK agreed to purchase part of the Goods (the "Varied Goods") from the Respondent and paid a sum of approximately US$153,000 (the "Varied Goods Price") for the Varied Goods. However, the Respondent only delivered a small portion of the Varied Goods to Runway HK and failed to deliver the rest of the Varied Goods that Runway HK had paid for. Further negotiations between Runway HK and the Respondent were not successful.

On 3 May 2012, Runway HK issued a notice of arbitration against the Respondent claiming for, inter alia, the portion of the Varied Goods (which Runway HK had paid for) not yet delivered and the Paid Amount.

On 2 November 2012, the Respondent filed its defense and counterclaim, such that, among other things, Runway HK should fulfill its obligation under the Purchase Orders, namely, to accept the remaining portion of the Goods in addition to the Varied Goods, and to make payment of the outstanding amount of the Contract Price (which the Respondent had calculated to be approximately US$190,000).

On 23 and 24 September 2013, the arbitration hearing took place but the Respondent was absent for both days. The legal counsel acting for Runway HK in the arbitration proceedings ("Runway HK Legal Counsel") made the closing submissions to the arbitration tribunal on 4 October 2013. Runway HK is awaiting the arbitration tribunal to hand down its judgement.

The Respondent is a company established in the PRC with its main operation located in the PRC. The PRC legal advisers consider that according to the 最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排 (Supreme People's Court's Arrangement Concerning the Mutual Enforcement of Arbitral Awards Between the Mainland and the Hong Kong Special Administration Region) issued on 24 January 2000, there are no material legal obstacles to the enforcement in the PRC of the judgement to be handed down by the tribunal of the arbitration proceedings in Hong Kong in relation to the aforementioned arbitration.

The Runway HK Legal Counsel has advised that the tribunal of the arbitration proceedings is more likely to find in favour of Runway HK's version of events mainly because of many difficulties in the Respondent's case and is of the view that subject to the quality of the evidence of Runway HK's witnesses, Runway HK has slightly better than even chance in succeeding its claim in the arbitration proceedings. Based on the advice of the Runway HK Legal Counsel, the directors are of the view that Runway HK has slightly better than even chance of success in the arbitration proceedings and the directors have not made any provision accordingly.

According to the counterclaim filed by the Respondent, in case where Runway HK ultimately loses in the proceedings, it may have to pay to the Respondent the outstanding amount of the Contract Price (which the Respondent has calculated to be approximately US$190,000, or approximately HK$1,480,000) plus other possible damages and costs. The proceedings are ongoing and the outcome is subject to uncertainties. The directors of the Company consider that no provision is required at this stage of the proceedings in accordance with the Group's relevant accounting policy.

34. RELATED PARTY TRANSACTION

Save as disclosed in note 22 of the Financial Information and the Comparative Financial Information, the Group entered into the following significant related party transactions during the Relevant Periods.

(a) Transactions with related parties

The maximum amount of financial guarantees provided by the directors of the Company (notes 28(a) and (c)) at the end of each reporting period are as follows:

Name of related parties	As at 31 December		As at 31 May
	2011	2012	2013
	HK$'000	*HK$'000*	*HK$'000*
Mr. Tien	117,100	131,000	143,042
Mr. Gozashti	83,900	97,800	101,300

(b) Key management personnel remuneration

Key management of the Group are members of the board of directors. Key management personnel remuneration is set out in note 13(a).

35. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2012 and the five months ended 31 May 2012, Runway HK had distributed interim dividends to the owners of the Company, part of which with an amount of approximately HK$6,000,000 and HK$6,000,000 (unaudited) were credited directly to the amounts due to directors.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

	As at 31 December		As at 31 May
	2011	2012	2013
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Financial assets at fair value through profit or loss			
Derivative financial instruments	1,477	1,486	4,547
Loans and receivables			
Trade and bill receivables	40,109	49,575	24,569
Deposits and other receivables	13,172	11,750	9,883
Amounts due from directors	5,895	—	4,593
Pledged bank deposits	6,074	8,801	8,544
Cash and cash equivalents	14,037	37,550	31,978
	80,764	109,162	84,114
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade and bill payables	67,348	73,431	52,724
Accruals and other payables	14,965	16,845	11,845
Amounts due to directors	—	2,515	830
Interest-bearing borrowings	4,328	2,478	28,741
	86,641	95,269	94,140

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

(a) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise mainly from its overseas purchases and sales, which are primarily denominated in RMB and US$. These are not the functional currencies of the Group entities to which these transactions relate. The Group also has interest-bearing borrowings denominated in foreign currencies, primarily RMB and US$. All the Group's foreign exchange structured forward contracts were approved by the directors. After the [●], the Group will implement the foreign exchange structured forward contracts policy in relation to the foreign exchange structured forward contracts. The Group will perform analysis for entering into and monitoring of the foreign exchange structured forward contracts.

Summary of exposure

At the end of each reporting period, foreign currency denominated financial assets and liabilities, translated into HK$ at the respective rates at that date, are as follows:

	Financial assets	Financial liabilities	Notional amounts of derivative financial instruments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2011				
RMB	11,996	(30,808)	298,271	279,459
US$	57,771	(45,889)	77,220	89,102
As at 31 December 2012				
RMB	14,113	(40,154)	111,556	85,515
US$	63,605	(46,362)	—	17,243
As at 31 May 2013				
RMB	13,773	(42,895)	488,559	459,437
US$	28,719	(39,625)	—	(10,906)

Foreign exchange rate sensitivity analysis

As US$ is pegged to HK$, the Group does not expect any significant movement in the HK$/US$ exchange rate. No sensitivity analysis in respect of the Group's financial assets and liabilities denominated in US$ is disclosed as in the opinion of directors of the Company, such sensitivity analysis does not give additional value in view of insignificant movement in the US$/HK$ exchange rates as at the reporting dates.

The following table indicates the approximate change in the Group's profit after income tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each reporting period.

HK$ to RMB	**As at 31 December 2011**	**2012**	**As at 31 May 2013**
	HK$'000	*HK$'000*	*HK$'000*
Appreciated by 3%	1,159	1,209	1,862
Depreciated by 3%	1,178	1,277	1,247

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of each reporting period has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year/period and held constant throughout the year/period.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period. The analysis is performed on the same basis for the Relevant Periods.

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings which are at variable rates (note 28). The Group's bank balances and pledged bank deposits were bearing floating interest rate. The Group has not used any derivative to hedge its exposure to interest rate risk. The policies to manage interest rate risk which have been followed by the Group since prior years are considered to be effective.

Interest rate sensitivity analysis

The following table indicates the approximate change in the profit after income tax in response to reasonably possible changes in interest rates to which the Group has exposure at the end of each reporting period.

	As at 31 December 2011	**2012**	**As at 31 May 2013**
	HK$'000	*HK$'000*	*HK$'000*
Increase by 100 basis points	25	155	76
Decrease by 100 basis points	(25)	(155)	(76)

The sensitivity analysis was determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to variable-rate financial instruments at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis for the Relevant Periods.

(c) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to its customers in the ordinary course of its operation.

In order to minimise the credit risk of not receiving payments from its customers, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection) which offered trade receivable credit protection arrangement against the Group's trade receivables for some of the Group's major customers. Under such arrangements, if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is reduced. There is no requirement for collaterals by the Group.

The Group has deposited its cash with various banks. The credit risk on bank balances is limited because most of the Group's cash are deposited with major banks located in Hong Kong and the PRC.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank facilities.

The following tables show the remaining contractual maturities at the end of each reporting period of the Company's interest-bearing borrowings, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay.

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

	Carrying amount	**Total contractual undiscounted cash flow**	**Less than one year or repayable on demand**	**One year or above**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2011				
Non-derivative financial instruments:				
Trade and bill payables	67,348	67,348	67,348	—
Accruals and other payables	14,965	14,965	14,965	—
Interest-bearing borrowings	4,328	4,441	3,737	704
	86,641	86,754	86,050	704
At 31 December 2012				
Non-derivative financial instruments:				
Trade and bill payables	73,431	73,431	73,431	—
Accruals and other payables	16,845	16,845	16,845	—
Amounts due to directors	2,515	2,515	2,515	—
Interest-bearing borrowings	2,478	2,532	2,092	440
	95,269	95,323	94,883	440
At 31 May 2013				
Non-derivative financial instruments:				
Trade and bill payables	52,724	52,724	52,724	—
Accruals and other payables	11,845	11,845	11,845	—
Amounts due to directors	830	830	830	—
Interest-bearing borrowings	28,741	28,782	28,452	330
	94,140	94,181	93,851	330

The following table that summarises the maturity analysis of interest-bearing borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such interest-bearing borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Carrying amount	**Total contractual undiscounted cash flow**	**Less than one year or repayable on demand**	**One year or above**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2011	2,844	3,075	1,153	1,922
At 31 December 2012	1,828	1,922	1,153	769
At 31 May 2013	28,124	29,077	25,751	3,326

(e) Fair value measurements recognised in the statements of financial position

The following tables present financial assets and liabilities measured at fair value in the combined statements of financial position in accordance with the fair value hierarchy. The 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. The fair value hierarchy has the following levels:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

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

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 measured at fair value in the combined statements of financial position at the end of each reporting period are grouped into the fair value hierarchy as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2011				
Financial assets at fair value through profit of loss				
Derivative financial instruments	—	1,477	—	1,477
At 31 December 2012				
Financial assets at fair value through profit of loss				
Derivative financial instruments	—	1,486	—	1,486
At 31 May 2013				
Financial assets at fair value through profit of loss				
Derivative financial instruments	—	4,547	—	4,547

There have been no significant transfers between levels 1 and 2 and no transfers into or out of level 3 during the Relevant Period.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivative financial instruments contracts entered into by the Group are not traded on active markets. The fair values of such contracts are determined by a firm of independent professional valuers. The valuation is based on the underlying conditions in the contracts and the market information at the valuation dates. The independent professional valuers compared the spot rate with the rate specified in the forward contracts and determined the calculation as specified in the forward contracts. The independent professional valuers calculated the net cashflow of the forward contracts for each trade date interval, assessed the present value of net cashflow for each trade date interval and derived the market value of the forward contracts as at the valuation dates. The valuation of the structured forward contracts required consideration of all pertinent factors affecting the underlying value of the Group, which are the operations of its business and ability to generate future investment returns. The factors considered in the valuation including but not limited to the history of the Group, the nature and the performance of the Group's business, the economic and industry outlooks affecting the Group's business, the historical data of the foreign exchange market, the risks facing by the Group and the historical exchange rates. The independent professional valuers assumed that there will be no material changes from political, legal, economic or financial aspects in the jurisdiction and no substantial market fluctuation in the industry, current interest rates and foreign currency rates in the jurisdictions which the Group currently runs or intends to run its business which will materially affect the revenue attributable to the Group. It maximises the use of observable market inputs, including foreign currency rates and interest rates (Level 2). The derivatives entered into by the Group are included in Level 2 and consist of foreign exchange structured forward contracts. The most significant input into this valuation approach is market foreign currency rates.

38. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose net debt is defined as borrowings less cash and cash equivalents. The Group's goal in capital management is to maintain a net debt to equity ratio of less than 50%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The Group's net debt to equity ratio at the reporting date was:

	As at 31 December		As at 31 May
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to directors	—	2,515	830
Interest-bearing borrowings	4,328	2,478	28,741
Less: Pledged bank deposits	(6,074)	(8,801)	(8,544)
Less: Cash and cash equivalents	(14,037)	(37,550)	(31,978)
Net debts	(15,783)	(41,358)	(10,951)
Total equity	41,726	56,733	52,329
Net debt to equity ratio	N/A	N/A	N/A

39. SUBSEQUENT EVENTS

Except as disclosed in note 2.1 in this report, the following significant events have taken place subsequent to 31 May 2013:

(a) In June 2013, Runway HK declared a dividend of HK$20,000,000 in respect of the year ending 31 December 2013, which was fully paid in June 2013 to Mr. Tien and Mr. Gozashti.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or its subsidiaries in respect of any period subsequent to 31 May 2013.

Yours faithfully,

[●]