

**Australian Securities & Investments Commission**



**Form 388**  
Corporations Act 2001  
294, 295, 298-300, 307, 308, 319, 321, 322  
Corporations Regulations  
1.0.08

# Copy of financial statements and reports

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

**Company/scheme details**

Company/scheme name

ACN/ARBN/ARSN/PIN/ABN

**Lodgement details**

Who should ASIC contact if there is a query about this form?

Firm/organisation

Contact name/position description  
 **IPC**

ASIC registered agent number (if applicable)  
 **30 APR 2009**

Telephone number  
 **AH**

Postal address or DX address  
 **North Ryde NSW 2113**

## 1 Reason for lodgement of statement and reports

Tick appropriate box.

See Guide for definition of large and small proprietary companies.

- A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking (A)
- A registered scheme (B)
- Amendment of financial statements or directors' report (company) (C)
- Amendment of financial statements or directors' report (registered scheme) (D)
- A large proprietary company that is not a disclosing entity (H)
- A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (I)
- A small proprietary company that is requested by ASIC to prepare and lodge statements and reports (J)
- A prescribed interest undertaking that is a disclosing entity (K)

Dates on which financial year begins and ends

Financial year begins  to

[D] [D] [M] [M] [Y] [Y]

*1/1/07 - 31/12/08*

## 2 Details of large proprietary company

See Guide for definition of large and small proprietary companies.

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate:

A What is the consolidated revenue of the large proprietary company and the entities that it controls?

B What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

C How many employees are employed by the large proprietary company and the entities that it controls?

D How many members does the large proprietary company have?

## 3 Auditor's report

Were the financial statements audited?

Yes

No

If no, is there a class order exemption current for audit relief?

Yes

No

If yes, does the auditor's report (s308) for the financial year contain a statement of:

Reasons for the auditor not being satisfied as to the matters referred to in s307?

Yes

No

Details of the deficiency, failure or shortcoming concerning any matter referred to in s307?

Yes

No

## 4 Details of current auditor or auditors

Registered schemes must advise ASIC of the appointment of an auditor on a Form 5137 Appointment of scheme auditor within 14 days of the appointment of the auditor.

Auditor registration number (for individual auditor or authorised audit company)

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

**4 Continued... Details of current auditor or auditors**

Office, unit, level  
  
 Street number and Street name  
  
 Suburb/City  
 State/Territory  
  
 Postcode  
 Country (if not Australia)  
  
 Date of appointment  
       
[D] [D] [M] [M] [Y] [Y]

A company may have two appointed auditors, provided that both auditors were appointed on the same date. Otherwise, an appointed auditor must resign, be removed or otherwise ceased before a subsequent appointment may be made.

Auditor registration number (for individual auditor or authorised audit company)  
  
 Family name  
 Given name  
  
 or  
 Company name  
  
 ACN/ABN  
  
 or  
 Firm name (if applicable)  
  
 Office, unit, level  
  
 Street number and Street name  
  
 Suburb/City  
 State/Territory  
  
 Postcode  
 Country (if not Australia)

**5 Statements and reports to be attached to this form**

- Financial statements for the year (as per s295(2) and accounting standards)
  - Income statement for the year*
  - Balance sheet as at the end of the year*
  - Statement of cash flows for the year*
  - Statement of changes in equity or statement of recognised income and expense for the year*
  - If required by accounting standards - the consolidated income statement, balance sheet, statement of cash flows and statement of changes in equity/statement of recognised income and expense*
- Notes to financial statements (as per s295(3))
  - Disclosures required by the regulations*
  - Notes required by the accounting standards*
  - Any other information necessary to give a true and fair view (see s297)*
- The directors' declaration about the statements and notes (as per s295(4))
- The directors' report for the year, including the auditor's independence declaration (as per s298 to s300A)
- Auditor's report required under s308 and s314
- Concise report (if any) (s314)

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**Signature**

I certify that the attached documents marked ( ) are a true copy of the original reports required to be lodged under s319 of the Corporations Act 2001.

See Guide for details of signatory.

Name

Martin CHEN

Signature



Capacity

- Director  
 Company secretary

Date signed

[ ] [ ] / [ ] [ ] / [ ] [ ]  
[D] [D] [M] [M] [Y] [Y]

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**Lodgement**

Send completed and signed forms to:  
Australian Securities and Investments Commission,  
PO Box 4000, Gippsland Mail Centre VIC 3841.

**For help or more information**

Telephone 1300 300 630  
Email [info.enquiries@asic.gov.au](mailto:info.enquiries@asic.gov.au)  
Web [www.asic.gov.au](http://www.asic.gov.au)

Or lodge the form electronically by visiting the ASIC website  
[www.asic.gov.au](http://www.asic.gov.au)

# **Oceanic Aluminium Pty. Ltd.**

**ABN 74 121 335 635**

## **Financial Statements**

**For the Period from 1 July 2007 to 31 December 2008**

# Oceanic Aluminium Pty. Ltd.

For the period from 1 July 2007 to 31 December 2008

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# Oceanic Aluminium Pty. Ltd.

## Directors' Report

31 December 2008

The directors present their report on the Oceanic Aluminium Pty. Ltd. (the "Company") at the end of, or during the financial period from 1 July 2007 to 31 December 2008.

### 1. General information

#### a Directors

The following persons were directors of the Company during the whole of the financial period end up to the date of this report:

Martin Yunzhong Chen

Bonnie Po Ling Ng (appointed on 1 January 2008)

Zhi Fen Liu (appointed on 1 January 2008)

Julie Li-Hua Zhu (resigned on 1 January 2008)

Li Jun Gao (resigned on 1 January 2008)

#### b Principal activities

The principal activity of the Company during the financial period was the distribution of aluminium extrusion products.

There have been no significant changes in the nature of the Company's principal activities during the financial period.

### 2. Business review

#### Operating results

The profit attributable to members of the Company during the period was \$561,265 (1.7.2006 to 30.6.2007: loss of \$775,701).

### 3. Dividends

No dividend has been paid or declared since the commencement of the period and the directors do not recommend the declaration of a dividend (1.7.2006 to 30.6.2007: Nil).

### 4. Other items

#### a Change of financial period end date

In order to have a consistent year end date with its ultimate holding company, the Company had changed its accounting period from ending on 30 June to 31 December during the period.

#### b Significant changes in the state of affairs

No significant changes in the Company's state of affairs occurred during the financial period.

# Oceanic Aluminium Pty. Ltd.

## Directors' Report (continued)

31 December 2008

### 4. Other items (continued)

#### c Subsequent events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

#### d Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### e Environmental regulation

The Company's operations are subject to environmental regulations under both Commonwealth and State legislation. The directors are not aware of any breaches of these regulations.

#### f Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

#### g Auditor

Partlett, Chave & Rowland resigned and PricewaterhouseCoopers was appointed as auditors of the Company. PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001* during the period.

Signed in accordance with a resolution of the Board of Directors:



Director .....

28 April 2009





**PricewaterhouseCoopers**  
**ABN 52 780 433 757**

Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999

### **Auditor's Independence Declaration**

As lead auditor for the audit of Oceanic Aluminium Pty Limited for the year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Oceanic Aluminium Pty Limited during the period.

A handwritten signature in black ink, appearing to read 'Gareth Winter', written over a horizontal line.

Gareth Winter  
Partner  
PricewaterhouseCoopers

28 Sydney  
April 2009

## Oceanic Aluminium Pty. Ltd.

### Directors' Declaration

As stated in Note 1(a) to the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the company's financial position as at 31 December 2008 and of their performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Director

Sydney  
28 April 2009

# Oceanic Aluminium Pty. Ltd.

## Income Statement

For the period from 1 July 2007 to 31 December 2008

	Note	1.7.2007 to 31.12.2008 \$	1.7.2006 to 30.6.2007 \$
Revenue from continuing operations			
Sales of goods	2	17,854,473	1,413,138
Other revenue	2	16,399	796
		17,870,872	1,413,934
Other income	3	9,162	3,801
Cost of sales of goods		(13,421,430)	(1,260,992)
Selling and distribution expenses		(2,527,895)	(539,931)
Administrative expenses		(1,312,363)	(382,057)
Finance costs		(57,081)	(10,456)
<b>Profit / (loss) before income tax</b>	<b>4</b>	<b>561,265</b>	<b>(775,701)</b>
Income tax expense		-	-
<b>Profit / (loss) attributable to members of the entity</b>		<b>561,265</b>	<b>(775,701)</b>

The above income statement should be read in conjunction with the accompanying notes.

# Oceanic Aluminium Pty. Ltd.

## Balance Sheet

As at 31 December 2008

	Note	At 31.12.2008 \$	At 30.6.2007 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	528,106	22,180
Trade and other receivables	6	2,613,933	1,008,634
Inventories	7	4,302,839	2,168,025
<b>Total current assets</b>		<b>7,444,878</b>	<b>3,198,839</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	441,054	590,000
<b>Total non-current assets</b>		<b>441,054</b>	<b>590,000</b>
<b>TOTAL ASSETS</b>		<b>7,885,932</b>	<b>3,788,839</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	7,715,433	4,080,941
Provision	10	48,572	29,198
Finance lease obligations	11	196,760	92,999
<b>Total current liabilities</b>		<b>7,960,765</b>	<b>4,203,138</b>
<b>Non-current liabilities</b>			
Finance lease obligations	11	139,503	361,302
<b>Total non-current liabilities</b>		<b>139,503</b>	<b>361,302</b>
<b>TOTAL LIABILITIES</b>		<b>8,100,268</b>	<b>4,564,440</b>
<b>NET LIABILITIES</b>		<b>(214,336)</b>	<b>(775,601)</b>
<b>EQUITY</b>			
Share capital	12	100	100
Accumulated losses		(214,436)	(775,701)
<b>TOTAL DEFICIENCIES IN EQUITY</b>		<b>(214,336)</b>	<b>(775,601)</b>

The above balance sheet should be read in conjunction with the accompanying notes.

# Oceanic Aluminium Pty. Ltd.

## Statement of Changes in Equity

For the period from 1 July 2007 to 31 December 2008

1.7.2007 to 31.12.2008

	Share capital \$	Accumulated losses \$	Total \$
<b>Equity as at 1 July 2007</b>	100	(775,701)	(775,601)
<b>Changes</b>			
Profit attributable to members of the entity	-	561,265	561,265
<b>Equity as at 31 December 2008</b>	100	(214,436)	(214,336)

1.7.2006 to 30.6.2007

	Share capital \$	Accumulated losses \$	Total \$
<b>Equity as at 1 July 2006</b>	-	-	-
<b>Changes</b>			
Issue of shares	100	-	100
Loss attributable to members of the entity	-	(775,701)	(775,701)
<b>Equity as at 30 June 2007</b>	100	(775,701)	(775,601)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Oceanic Aluminium Pty. Ltd.

## Statement of Cash Flows

For the period from 1 July 2007 to 31 December 2008

	Note	1.7.2007 to 31.12.2008 \$	1.7.2006 to 30.6.2007 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		17,974,981	732,656
Payments to suppliers and employees		(20,997,544)	(4,145,665)
		(3,022,563)	(3,413,009)
Interest received		16,399	796
Interest paid		(57,081)	(10,456)
<b>Net cash outflow from operating activities</b>	14	(3,063,245)	(3,422,669)
<b>Cash flows from investing activities:</b>			
Payment for property, plant and equipment		(10,250)	(79,144)
Proceeds from disposal of property, plant and equipment		-	36,567
<b>Net cash outflow from investing activities</b>		(10,250)	(42,577)
<b>Cash flows from financing activities:</b>			
Issue of shares		-	100
Net movements in related party loans		3,740,087	3,631,404
Lease liabilities paid		(160,666)	(144,078)
<b>Net cash inflow from financing activities</b>		3,579,421	3,487,426
<b>Net increase in cash and cash equivalents</b>		505,926	22,180
Cash and cash equivalents at beginning of period		22,180	-
<b>Cash and cash equivalents at end of period</b>	5	528,106	22,180

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### (a) Basis of preparation

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with AASB 101 *Presentation of Financial Statements*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031 *Materiality* and AASB 1048 *Interpretation and Application of Standards* which apply to all entities required to prepare financial reports under the *Corporations Act 2001*, and other applicable Accounting Standards and Urgent Issues Group Interpretations with the exception of the disclosure requirements in the following:

AASB 3 – Business Combinations

AASB 7 – Financial Instruments: Disclosure

AASB 101 – Presentation of Financial Statement: Paragraph 124A to 124C

AASB 114 – Segment Reporting

AASB 124 – Related Party Disclosures

AASB 139 – Financial Instruments: Recognition and Measurement

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous period. Comparative information is reclassified where appropriate to enhance comparability.

#### *Change of financial period end Date*

In order to have a consistent year end date with its ultimate holding company, PanAsia Enterprises Group Limited, the Company had changed its accounting period from ending on 30 June to 31 December during the period.

#### *Deficiency of capital*

As at 31 December 2008, the Company has a deficiency of capital and reserves of \$214,336 (at 30 June 2007: \$775,601) and has net current liabilities of \$515,887 (at 30 June 2007: \$1,004,299). The directors of the ultimate holding company, PanAsia Enterprises Group Limited, have given an undertaking to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations now and in the future. The undertaking is provided for a minimum period of twelve months from the date of this report.

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies (continued)

#### (b) Foreign currency translation

##### *(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Oceanic Aluminium Pty. Ltd.'s functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

##### *(i) Sales revenue*

Sales of goods are recognised when the Company has delivered products to the customer. Delivery does not occur until the products have been shipped to the specified location, the risks of the obsolescence and loss have been transferred to the customers.

Goods are often sold with volume discounts and customers have a right to return faulty products. Sales are recorded based on the price specified in the sale contracts or as agreed with customers, net off the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

##### *(ii) Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

#### (d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.



# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies (continued)

#### (d) Income tax - continued

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### (e) Leases

Leases of property, plant and equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 13(2)). Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### (f) Impairment of assets

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

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies (continued)

#### (g) Cash and cash equivalents

For cash flow statement presentation, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### (h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 90 days from the date of recognition for trade debtors, and no more than 90 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

#### (i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is 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.

#### (j) Investments and other financial assets

The Company classifies its investments as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

##### *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet (note 6).

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies (continued)

#### (k) Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation:

- Leasehold improvements	5 years
- Office equipment	5 years
- Furniture and fixtures	5 years
- Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition.

#### (m) Employee benefits

##### *(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

##### *(ii) Long service leave and annual leave*

The liability for long service leave and annual leave are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *(iii) Bonus plans*

The Company recognises a provision of bonus where contractually obliged or where there is a past practice that has created a constructive obligation.

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 1 Statement of Significant Accounting Policies (continued)

#### (m) Employee benefits - continued

##### (iv) Superannuation

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

#### (n) Contributed equity

Ordinary shares are classified as equity.

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

#### (o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance sheet date.

#### (p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

#### (q) New accounting standards and interpretations

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Company intends to apply the revised standard from 1 January 2009.

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 2 Revenue

#### *From continuing operations*

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
<i>Sales revenue</i>		
Sale of goods	17,854,473	1,413,138

#### *Other revenue*

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
Interest income	16,399	796

### 3 Other income

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
Gain on disposal of property, plant and equipment	-	1,558
Sundry income	9,162	2,243
	9,162	3,801

### 4 Expenses

Profit / (loss) before income tax have been arrived at after deducting the following expenses:

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
Depreciation of property, plant and equipment	201,824	52,514
Finance cost – interest paid	57,081	10,456
Rental expense relating to operating leases	499,720	139,438
Provision for impairment of receivables	24,540	-

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 5 Cash and cash equivalents

	31.12.2008	30.6.2007
	\$	\$
Cash on hand	954	318
Bank balances	527,152	21,862
	<u>528,106</u>	<u>22,180</u>

### 6 Trade and other receivables

	31.12.2008	30.6.2007
	\$	\$
CURRENT		
Trade receivables	2,537,505	866,162
Provision for impairment of receivables	(24,540)	-
	<u>2,512,965</u>	<u>866,162</u>
Deposits, prepayments and other receivables	100,967	142,472
	<u>2,613,932</u>	<u>1,008,634</u>

### 7 Inventories

	31.12.2008	30.6.2007
	\$	\$
Finished goods at cost	4,302,839	2,168,025

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 8 Property, plant and equipment

	Leasehold improvements	Office equipment	Furniture and fixtures	Motor vehicles	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
At 1 July 2007	13,566	102,001	24,412	499,768	639,747
Additions	6,270	11,174	2,762	32,672	52,878
At 31 December 2008	19,836	113,175	27,174	532,440	692,625
<b>Accumulated depreciation</b>					
At 1 July 2007	273	10,936	1,663	36,875	49,747
Depreciation for the period	5,055	31,247	8,029	157,493	201,824
At 31 December 2008	5,328	42,183	9,692	194,368	251,571
<b>Net book value</b>	<b>14,508</b>	<b>70,992</b>	<b>17,482</b>	<b>338,072</b>	<b>441,054</b>
<b>Cost</b>					
At 1 July 2006	-	-	-	-	-
Additions	13,566	102,001	24,412	537,544	677,523
Disposals	-	-	-	(37,776)	(37,776)
At 30 June 2007	13,566	102,001	24,412	499,768	639,747
<b>Accumulated depreciation</b>					
At 1 July 2006	-	-	-	-	-
Depreciation for the period	273	10,936	1,663	39,642	52,514
Written back on disposal	-	-	-	(2,767)	(2,767)
At 30 June 2007	273	10,936	1,663	36,875	49,747
<b>Net book value</b>	<b>13,293</b>	<b>91,065</b>	<b>22,749</b>	<b>462,893</b>	<b>590,000</b>

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 9 Trade and other payables

	31.12.2008	30.6.2007
	\$	\$
CURRENT		
Trade payables	125,080	358,517
Other payables and accruals	218,862	91,020
Amounts owed to immediate holding company	649,950	649,930
Amounts owed to fellow subsidiaries	6,721,349	2,953,282
Amounts owed to minority shareholders	192	28,192
	<u>7,715,433</u>	<u>4,080,941</u>

### 10 Provision

	31.12.2008	30.6.2007
	\$	\$
CURRENT		
Provision for annual leave	48,572	29,198
	<u>48,572</u>	<u>29,198</u>



# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 11 Finance lease obligations

	31.12.2008	30.6.2007
	\$	\$
<b>CURRENT</b>		
<i>Secured liabilities</i>		
Finance lease obligation	196,760	92,999
	<hr/>	<hr/>
	31.12.2008	30.6.2007
	\$	\$
<b>NON CURRENT</b>		
<i>Secured liabilities</i>		
Finance lease obligation	139,503	361,302
	<hr/>	<hr/>

### 12 Issued capital

	31.12.2008	30.6.2007
	\$	\$
100 (2007: 100) Fully paid ordinary shares	100	100
	<hr/>	<hr/>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 13 Lease commitments

#### (i) Finance lease

The Company leases various property, plant and equipment with a carrying amount of \$338,072 (2007: \$462,893) under finance leases expiring within one to four years.

	31.12.2008	30.6.2007
	\$	\$
Commitments in relation to finance leases are payable as follows:		
Within one year	221,155	102,729
Later than one year but not later than five years	130,781	369,912
Minimum lease payments	351,937	472,641
Less: future finance changes	(33,117)	(18,340)
Present value of minimum lease payments recognised as a liability	336,263	454,301
Representing lease liabilities:		
Current (note 11)	196,760	92,999
Non-current (note 11)	139,503	361,302
	336,263	454,301

#### (ii) Operating lease

The Company leases its office and warehouse under non-cancellable operating lease agreements.

	31.12.2008	30.6.2007
	\$	\$
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	214,559	345,634
In the second to fifth year	21,222	417,024
	235,781	762,658

# Oceanic Aluminium Pty. Ltd.

## Notes to the Financial Statements

For the period from 1 July 2007 to 31 December 2008

### 14 Cash flow information

#### Reconciliation of cash flow from operations with profit from ordinary activities after income tax

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
Net profit for the period after tax	561,265	(775,701)
<b>Non-cash flows in profit from ordinary activities</b>		
Depreciation	201,824	52,514
Charges to provisions	24,540	-
Write-downs of inventories and trade receivables to recoverable amount	6,472	-
Net gain on disposal of property, plant and equipment	-	(1,558)
<b>Changes in operating assets and liabilities:</b>		
(Increase)/ decrease in receivables	(1,622,264)	(866,162)
Decrease/ (increase) in other assets	41,505	(142,472)
(Increase) in inventories	(2,141,286)	(2,168,025)
(Decrease)/ Increase in trade payables and accruals	(105,595)	449,537
(Decrease)/ increase in provisions	(29,706)	29,198
	<u>(3,063,245)</u>	<u>(3,422,669)</u>

### 15 Remuneration of auditors

During the period, the following fees were paid or payable for services provided by the auditors:

	1.7.2007 to 31.12.2008	1.7.2006 to 30.6.2007
	\$	\$
Audit and review of financial report under the <i>Corporations Act 2001</i>	29,705	8,000

### 16 Contingent liabilities

The Company did not have contingent liabilities as at 31 December 2008 (at 30 June 2007: Nil).

### 17 Company details

#### Registered office

The registered office of the company is:

Oceanic Aluminium Pty. Ltd.  
Unit 2, 15 Bennett Street  
Chester Hill NSW 2162

Oceanic Aluminium Pty. Ltd. is a company limited by shares, incorporated and domiciled in Australia.



**Independent auditor's report to the members of  
Oceanic Aluminium Pty Limited**

**PricewaterhouseCoopers  
ABN 52 780 433 757**

Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999

**Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Oceanic Aluminium Pty Limited (the company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the period then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Oceanic Aluminium Pty Limited.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.



**Independent auditor's report to the members of  
Oceanic Aluminium Pty Limited (continued)**

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion, the financial report of Oceanic Aluminium Pty Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

The PricewaterhouseCoopers logo, consisting of the company name in a stylized, cursive font above the text 'PricewaterhouseCoopers' in a standard sans-serif font.

A handwritten signature in black ink, appearing to read 'Gareth Winter', written over a horizontal line.

Gareth Winter  
Partner

28 Sydney  
April 2009