iOne Holdings Limited
卓智控股有限公司*

(incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
Stock code 股份代號：982

Annual Report 2008 年報

* for identification purpose only 僅供識別

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Financial Printer

Contents

Corporate Information

BOARD OF DIRECTORS

Executive directors

Ms. Ng Wing Mee, Denise (Chairman)
Ms. Chiu Hok Yu

Independent non-executive directors

Mr. Leung Pak Keung
Mr. Tse Chi Ming
Ms. Tsang Wing Yee

AUDIT COMMITTEE

Ms. Tsang Wing Yee (Chairman)
Mr. Leung Pak Keung
Mr. Tse Chi Ming

REMUNERATION COMMITTEE

Mr. Leung Pak Keung (Chairman)
Ms. Tsang Wing Yee
Mr. Tse Chi Ming

NOMINATION COMMITTEE

Mr. Tse Chi Ming (Chairman)
Ms. Tsang Wing Yee
Mr. Leung Pak Keung

SOLICITORS

Iu, Lai & Li

COMPLIANCE ADVISER

Sun Hung Kai International Limited

AUDITOR

BDO McCabe Lo Limited

COMPANY SECRETARY

Mr. Ho Ming Fai FCCA, CPA
Mr. Ira Stuart OUTERBRIDGE III*
(*assistant secretary)

QUALIFIED ACCOUNTANT

Mr. Ho Ming Fai FCCA, CPA

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 1204-6, 12th Floor Wheelock House
20 Pedder Street
Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited

BERMUDA RESIDENT REPRESENTATIVES

Mr. John Charles Ross COLLIS

AUTHORISED REPRESENTATIVES

Ms. Chiu Hok Yu
Mr. Ho Ming Fai

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

982

WEBSITE ADDRESS

www.ioneholdings.com

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the first annual results of iOne Holdings Limited ("iOne" or the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2008 since its successful listing on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 July 2008 (the "Listing Date"). The initial public offering ("IPO") marked an important milestone for the Group, and has effectively enhanced our financial strength and competitiveness, adding momentum to our plans to expand our market share in the financial printing industry.

PERFORMANCE

During the year ended 31 December 2008, the Group recorded a consolidated turnover of approximately HK$235.1 million (2007: approximately HK$370.1 million). The sharp decline in the Group's turnover during the year was mainly attributable to the decrease in revenue from the printing of IPO prospectuses resulting from the economic downturn, and the decrease in advertising revenue from the publication of listed company announcements in newspaper. Net profit after tax attributable to shareholders for the year ended 31 December 2008 was approximately HK$38.9 million (2007: approximately HK$87.4 million), representing a net profit margin of about 16.5%, compared with 23.6% for the previous year ended 31 December 2007. Owing to mounting economic uncertainties, fierce market competition, and rising production cost, net profit margin has been narrowed for the financial year under review. In spite of such negative external factors, the management considers its annual results for the year 2008 to be fairly encouraging.

REVIEW

The year 2008 was a difficult year for all economies and industries around the world, which saw the unfolding of a financial crisis emanating from the US sub-prime mortgage crisis and credit crunch, followed by poor corporate results. The contagious nature of the global financial crisis has inevitably implicated Hong Kong, which during the year has seen a growing number of corporate bankruptcies, company downsizing, rising unemployment and a slowdown in exports. On the whole, investors' confidence was severely undermined.

In line with the Group's established business strategy, we continued to focus on strengthening our competitive edge during the year. The Group invested approximately HK$2 million to upgrade hardware and software with an aim to enhancing efficiency, work quality and reliability of our performance.

To establish a distinctive market position that makes us stand out from industry peers, we have made significant efforts to develop iOne into a printer offering one-stop solutions, and our endeavors have borne fruits - for the year 2008, the Group won over 20 awards in the 22nd International ARC Awards, the world's largest annual report award designed to honor companies that excel in annual report publishing and writing and creative designs, and has achieved numerous medals in the

The spacious service centre of iOne Financial Press Limited ("iOne FPL") located in the heart of Hong Kong central business district.

Mercury Awards, Galaxy Awards and Astrid Awards. The Group is pleased to have gained significant market recognition, a testimony to the high quality of the Group as a printer offering one-stop solutions.

Meanwhile, in a bid to further expand our business platform, the Group continued to focus on delivering high standard of work and customer-oriented services. With strong commitment to expanding its clientele, the Group has successfully built relations with 109 new clients during the year of 2008.

In light of the sluggish economic condition and unstable financial market, the Group has adjusted the pace of its expansion and development plans, in particular the plan to establish a production and translation hub and a representative office in mainland China.

OUTLOOK

Looking ahead, the Group is cautiously optimistic about the prospect of its business. As soon as the global economy begins to recover and the financial turmoil dissipates, we expect that listing and fundraising activities in Hong Kong will resume with full force. Once the negative factors have been eliminated, the Group will fully implement its expansion as planned. In the mean time, the Group will continue to strengthen its competitiveness by constantly upgrading and improving its technical know-how and skills. We will also strive to expand our client base and business network. With our flexible, proactive and prudent business strategy, the Group is confident of its ability to generate significant returns in the future.

I would like to express my sincere gratitude to our clients and shareholders for their continuous and valuable support. I would also like take this opportunity to thank our management team and staff for their outstanding contribution and hard work over the last year.

Ng Wing Mee, Denise
Chairman

Hong Kong, 30 March 2009

iOne FPL and iOne (Regional) FPL captured 4 gold awards in the 22nd International ARC Awards, the largest world-class annual report competition.

iOne (Regional) Financial Press Limited ("iOne (Regional) FPL") strives to offer clients in house a pleasant working environment.

Management Discussion and Analysis

BUSINESS REVIEW

The year 2008 was a challenging year for all industries and businesses around the world. Being one of the printers serving the financial sector in Hong Kong, the Group has been inevitably affected by the financial and economic volatility. Nonetheless, the Group has taken substantial efforts to minimise the negative impact of the global financial turmoil on its earnings and financial position. As a result, the Group managed to achieve relatively satisfactory results.

For the year ended 31 December 2008, the Group's turnover decreased by approximately 36.5% when compared with the year ended 31 December 2007. The profit attributable to shareholders of the Company amounted to approximately HK$38.9 million (2007: approximately HK$87.4 million), representing a decrease of approximately 55.5%. Basic earnings per share for the year under audit was approximately HK$0.18 (2007: approximately HK$0.44).

In sum, amid a variety of negative factors, including a slowdown of Hong Kong's economic growth, fluctuations of the financial market, tightening of credit and an increasing numbers of local bankruptcy, the Company's management considers its annual results for the year 2008 to be relatively satisfactory.

FINANCIAL REVIEW

Turnover

The Group recorded a turnover of approximately HK$235.1 million for the year ended 31 December 2008, representing a decrease of about 36.5% from approximately HK$370.1 million for the year ended 31 December 2007. Revenue was dragged down by a decline in revenue from advertising, which amounted to about HK$27 million for the year ended 31 December 2008, a decrease of approximately 71.8% from approximately HK$95.7 million for the previous financial year. The drop in advertising revenue was attributable to the abolishment by the Stock Exchange of the mandatory requirement for press announcements. However, the Group's revenue from translation increased by approximately 5.8% to approximately HK$31 million, compared with approximately HK$29.3 million for the previous financial year. Revenue from printing totalled approximately HK$177.1 million, a 27.7% decrease from approximately HK$245.1 million for the year ended 31 December 2007. The change was mainly due to a decline in revenue from initial public offer prospectuses as fewer companies went public amid the bearish market.

Gross Profit and Gross Profit Margin

The Group's consolidated gross profit dropped 45% to approximately HK$104.8 million for the year ended 31 December 2008 from approximately HK$190.7 million for the previous financial year. Gross profit margin was approximately 44.6% for the year ended 31 December 2008, representing a year-on-year decrease of approximately 6.9% from 51.5% for the previous financial year. The decline in gross profit and gross profit margin was mainly attributable to the deteriorating economic condition, fierce price competition and rising production costs.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended 31 December 2008 reduced to approximately HK$23.3 million (2007: approximately HK$27.6 million), a drop of approximately HK$4.3 million, mainly due to a reduction in commission and entertainment expenses for marketing personnel.

Administration Expenses

The Group's administrative expenses for the year ended 31 December 2008 amounted to approximately HK$37.2 million (2007: approximately HK$56.7 million). The decrease of HK$19.5 million was mainly due to the absence of share-based payment made to an employee in 2007 as well as the reduction in staff and management bonuses and directors' remuneration.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Group's cash and bank balances amounted to approximately HK$97.6 million (2007: approximately HK$105.2 million) with no borrowings (2007: Nil). The Group has current assets of approximately HK$145.4 million (2007: approximately HK$187.1 million) and total current liabilities of approximately HK$39.5 million (2007: approximately HK$154.7 million). The Group's current ratio, defined as total current assets over total current liabilities, was 3.7 (2007: 1.2). The rise in liquidity was mainly attributable to the proceeds from the IPO and cash inflow from its operating activities.

Total equity of the Group as at 31 December 2008 stood at approximately HK$112.1 million (2007: approximately HK$37.2 million). The increase was mainly driven by the net profit after tax for the year and net proceeds from the IPO offer. The Group's gearing ratio, being total liabilities over total assets was 26.6% (2007: 80.8%), representing a decrease of about 54.2%. The decline was mainly due to a decrease in total liabilities resulting from subsequent payment of dividend and reduction in bonus and commission, coupled with an increase in total assets generated from cash inflow from proceeds of IPO and operating activities.

CAPITAL STRUCTURE

The Company was incorporated in Bermuda on 24 January 2008 and 10,000 ordinary shares of HK$0.01 per share were issued at nil paid on 28 February 2008. On 25 June 2008, the Company further issued 29,990,000 ordinary shares of HK$0.01 per share, credited as fully paid, together with the aforementioned 10,000 ordinary shares, in exchange for the entire issued share capital of Miracle View Group Ltd. Thereafter, Miracle View Group Ltd became a wholly-owned subsidiary of the Company. Recording oversubscription in the IPO, the Company was successfully listed on the Main Board of the Stock Exchange on the Listing Date. The number of ordinary shares issued increased from 30,000,000 to 230,000,000, of which 30,000,000 shares had been in issue as aforesaid, 170,000,000 shares were issued under the capitalisation issue, and 30,000,000 shares were issued pursuant to the IPO Share Offer. The Group's operations were mainly financed by internal resources and shareholders' equity.

Pursuant to the resolution passed by the Shareholders on 25 June 2008, the Company approved and conditionally adopted a share option scheme whereby selected categories of participants may be granted options to subscribe for shares of the Company at the discretion of the Board. No options were granted under the share option scheme for the year ended 31 December 2008.

EXPOSURE TO FLUCTUATION IN INTEREST RATES

The Group had interest-bearing financial assets at various interest rates which comprised short-term bank deposits. As there is no significant financial risk of fluctuation in interest rates, the Group has no interest rate hedging policy.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

For the year ended 31 December 2008, the Group conducted its business transactions principally in Hong Kong dollars. Most of the Group's bank and cash balances are denominated in Hong Kong dollars. As the foreign exchange risk exposure is limited, the Group did not adopt any foreign exchange derivatives for hedging purpose as at 31 December 2008.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS

For the year ended 31 December 2008, the Group did not acquire any investments or properties. Saved as the Reorganisation as disclosed in the prospectus of the Company dated 30 June 2008, there was no material acquisition and disposal of subsidiaries and associated companies during the year.

EMPLOYEES

As at 31 December 2008, the Group had a total of about 179 employees (2007: approximately 171). Staff cost of the Group for the financial year under audit was approximately HK$71.5 million (2007: approximately HK$89.6 million), which comprised salaries, commissions, bonuses, other allowances and contributions to retirement benefits scheme. The Group operates a defined contribution scheme under the Mandatory Provident Fund Schemes Ordinance and medical insurance or medical benefits for all employees. Basically, the Group structured remuneration packages of employees in reference to general market practice, duties and responsibilities of individual employees and the Group's financial performance.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 December 2008, bank deposits of approximately HK$0.2 million (2007: approximately HK$0.5 million) was pledged to a bank to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2008, the Group did not have any contingent liabilities.

CAPITAL EXPENDITURE

For the year ended 31 December 2008, capital expenditure for property, plant and equipment of the Group amounted to approximately HK$3.2 million (2007: approximately HK$5.8 million).

CAPITAL COMMITMENTS

As at 31 December 2008, the Group did not have any capital commitments.

USE OF PROCEEDS

The Company was successfully listed on the Main Board of the Stock Exchange on the Listing Date, raising net proceeds of approximately HK$40.5 million. The Group will use the proceeds to strengthen its competitiveness by implementing its future plans as stated in the prospectus. During the year, the Group applied approximately HK$2 million of the net proceeds from the IPO to upgrade its production facility and a further HK$1.8 million to set up an office that served as the Group's head office and operation centre of its translation division. Save the amounts allocated for the aforementioned intended uses, and pending the utilisation of the proceeds, the Group has placed short-term interest-bearing deposits with authorised financial institutions and/or licensed banks in Hong Kong.

BUSINESS PLAN

In light of the global economic uncertainties that are expected to linger for the year 2009, the Group will adjust its business plans and strategies accordingly so as to strengthen its niche to maintain its edge. It will slow down its expansion plans, including postponing the establishment of a representative office in Beijing and a backup production and translation hub in mainland China as stated in the IPO prospectus of the Company dated 30 June 2008. The Group will not introduce drastic cost-cutting plan in the near future but will suspend the recruitment of new employees and tighten cost control.

The Group's fundamental business objective is to strengthen its core competitiveness in the financial sector in order to establish itself as an international financial printing service provider. To this end, it is committed to enhancing its competitiveness and exploring new business opportunities on an ongoing basis.

We expect that, as soon as the global economy shows signs of recovery and the financial turmoil dissipates, listing and fund raising activities in Hong Kong will resume with full force. Once the negative factors have been eliminated, the Group will carry out its expansion projects as planned.

While taking a prudent approach to our expansion plans, we will not slow down our efforts to upgrade our software and equipment with an aim to refining work procedure and quality, ultimately enhancing our market competitiveness.

On a brighter note, following the rise in the cost of paper in 2008, a downward trend is expected in the year 2009. In other words, the Group is likely to benefit from more competitive prices offered by its suppliers.

In sum, regardless of the external environment, the Group will strive to stay focused on maintaining its market competitiveness and adhere to its business principles and strategies aimed at maximising profits and returns for the Group and our shareholders.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Ms. Ng Wing Mee, Denise, aged 50, is an executive Director and the Chairman of the Company. She is responsible for provision of advice for the overall management, strategic development and supervision of the Group. Ms. Ng has over 14 years of experience in the financial printing industry. She joined the Group in March 2007.

Ms. Chiu Hok Yu, aged 38, is an executive Director and the managing director of the Company. She is responsible for the Group's overall management, corporate development and strategic planning. Ms. Chiu has more than 11 years of experience in the financial printing industry. She joined the Group in mid-2000.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Pak Keung, aged 49, has been appointed as an independent non-executive Director since March 2008. Mr. Leung Pak Keung has been a member of the Hong Kong Institute of Construction Managers since October 2002 and has worked in the building construction field for over 21 years. Mr. Leung is currently a construction manager of a Hong Kong listed company on the Main Board.

Mr. Tse Chi Ming, BSc (Hons), MRICS, MHKIS, RPS(BS), Authorised Person (Surveyor), aged 50, has been appointed as an independent non-executive Director since March 2008. Mr. Tse Chi Ming has been a registered professional surveyor in Building Surveying Division of Surveyors Registration Board, practicing in Hong Kong since January 1998 and possesses over 11 years' experience in his profession. He is also a member of the Council to the Building Surveying Division of the Hong Kong Institute of Surveyors and was appointed as a member of the Appeal Tribunal Panel by the Government in February 2007. Mr. Tse has solid and extensive management experience gained from a Hong Kong listed company on the Main Board.

Ms. Tsang Wing Yee, aged 37, has been appointed as an independent non-executive Director since March 2008. She is a Chartered Financial Analyst Charterholder, a Certified Public Accountant and a fellow member of the Association of Chartered Certified Accountants. Ms. Tsang Wing Yee has approximately 14 years of experience in the investment and finance field. Ms. Tsang was the Chairman of a Hong Kong listed company on the GEM Board during the period from 31 May 2006 to 31 March 2008.

SENIOR MANAGEMENT

Ms. Chan Che Ching, aged 39, is the General Manager and Head of Sales of iOne FPL. She is responsible for the management of iOne FPL and its sales and marketing activities. Ms. Chan has over 13 years of experience in the financial printing industry. She joined the Group in mid-2000.

Ms. Chan Yi Mei, Amy, aged 34, is the General Manager and Sales Director of iOne (Regional) FPL. She is responsible for the sales and marketing activities and general management of iOne (Regional) FPL. Ms. Chan has been in financial printing industry for more than 9 years. She joined the Group in November 2005.

Ms. Shum Tsz Ying, Vien, aged 36, is the Head of Translation of iOne Translation Company Limited ("iOne TCL"). She is responsible for the general management and strategic development of the iOne TCL. Ms. Shum has over 11 years of experience in commercial, financial and legal translation. She joined the Group in June 2001.

Mr. Lam Wing Hong, Jimmy, aged 38, is the Head of Account Servicing and Production Team of iOne FPL. Mr. Lam Wing Hong, Jimmy is in charge of overseeing the back-end operation including production and technical support function to the clients' services. Mr. Lam Wing Hong has over 18 years of experience in the financial printing industry. He joined the Group in mid-2000.

Mr. Ho Ming Fai, aged 49, is the financial controller, qualified accountant and company secretary of the Company. Mr. Ho Ming Fai possesses more than 25 years of working experience in accounting, investment and treasury. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in January 2008.

Report of the Directors

The Directors of the Company are pleased to present their first report and the audited financial statements of the Company for the year ended 31 December 2008.

CORPORATE REORGANISATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda on 24 January 2008. It was registered on 14 April 2008 with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance (Cap. 32).

Pursuant to a group reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Main Board of the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 25 June 2008.

Details of the group reorganisation are set out in note 3(a) to the financial statements and are more fully explained in the paragraph headed "Corporate reorganisation" in Appendix V to the prospectus dated 30 June 2008 issued by the Company.

The shares of the Company were listed on the Stock Exchange with effect from the Listing Date.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the provision of financial printing services for the financial sector in Hong Kong which include mainly the printing of IPO prospectus, financial reports, company announcements, circulars, legal compliance documents, research reports, corporate brochures and newsletters.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 23 of this report.

The Board resolved not to propose any final dividend for the year ended 31 December 2008 to the shareholders.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and the Company during the year are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 25 to the financial statements.

DISTRIBUTABLE RESERVE

The Company's distributable reserve amounted to HK$29,000 at 31 December 2008.

FINANCIAL SUMMARY

A summary of the Group's result for each of the four years ended 31 December 2008 and the Group's assets and liabilities as at 31 December 2005, 2006, 2007 and 2008 is set out on page 57 of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, which would oblige the Company to offer news shares on a pro-rata basis to existing shareholders.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the period and up to the date of this report were:

Executive Directors:

Ng Wing Mee, Denise (Chairman)	(appointed on 28 February 2008)
Chiu Hok Yu (Managing Director)	(appointed on 28 February 2008)

Independent non-executive Directors:

Tsang Wing Yee	(appointed on 1 March 2008)
Leung Pak Keung	(appointed on 1 March 2008)
Tse Chi Ming	(appointed on 1 March 2008)

In accordance with the Bye-laws of the Company, Ms. Ng Wing Mee, Denise and Ms. Chiu Hok Yu retire at the forthcoming annual general meeting by rotation and, being eligible, offer themselves for re-election. All other remaining Directors continue in office.

Ms. Ng Wing Mee, Denise entered into a service agreement with the Company for an initial term of one year commencing from 1 March 2009 and shall be renewable for a further period of 12 months unless terminated by not less than three months' notice in writing served by either party on the other on or after the expiry of the initial term of 1 year. Prior to 1 March 2009, the service agreement entered into between Ms. Ng Wing Mee, Denise and the Company commenced on 1 March 2008 for a period of 12 months ending 28 February 2009.

Ms. Chiu Hok Yu entered into a service agreement with the Company for an initial term of 24 months commencing from 1 March 2008 unless terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has been appointed by the Company for a term of one year commencing from 1 March 2009, subject to re-election at forthcoming annual general meetings in accordance with the Bye-laws of the Company, unless terminated by not less than three months' notice in writing served by either party to the other party. Prior to 1 March 2009, three respective independent non-executive Directors were appointed by the Company from 1 March 2008 for a fixed term of 1 year ending on 28 February 2009.

Report of the Directors

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of the independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company considers all of the independent non-executive Directors are independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out on page 9 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2008, the interests and short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

Long position in ordinary share of HK$0.01 each of the Company

Name of Directors	Company/name of associated corporation	Capacity	Number of shares held	Approximate percentage of interested shares to the issued shares capital of the Company/ associated corporation (%)
Ng Wing Mee, Denise (Note 1)	The Company	Controlled corporation	122,400,000	53.22
	Brilliant Eagle International Ltd ("Brilliant Eagle")	Controlled corporation	6,089	60.89% (Note 1)
Chiu Hok Yu	Brilliant Eagle	Beneficial owner	1,890 (Note 2)	18.90%

Notes:

1. 122,400,000 shares of the Company were directly held by Brilliant Eagle. As Brilliant Eagle's issued share capital is held as to approximately 60.89% by Gold Fortune Investments Limited, whose entire issued share capital is in turn held as to 50% by Ms. Ng Wing Mee, Denise. She is deemed to have interests in the same block of 122,400,000 shares under Part XV of the SFO.

2. 1,890 shares of Brilliant Eagle is beneficially owned as to about 18.90% by Ms. Chiu Hok Yu.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2008, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long position in ordinary shares of HK$0.01 each of the Company

Name of Substantial Shareholders	Capacity/ Nature of interest	Number of shares held	Approximate percentage of shareholding (%)
Brilliant Eagle (Note 1)	Beneficial owner	122,400,000	53.22%
Gold Fortune Investments Limited (Note2)	Controlled corporation	122,400,000	53.22%
Mr. Ip Mo Leung, Gary (Note 2)	Interest of a Controlled corporation	122,400,000	53.22%
Goldfish Ventures Limited (Note 3)	Beneficial owner	20,400,000	8.87%
Ms. Yeung Wing Yan, Wendy (Note 3)	Controlled corporation	20,400,000	8.87%
Mr. Tsang Link Carl, Brian (Note 3)	Controlled corporation	20,400,000	8.87%
Ms. Wong Yuen Man, Frances (Note 4)	Interest of Spouse	20,400,000	8.87%
Mr. Yih Lai Tak, Dieter (Note 3)	Controlled corporation	20,400,000	8.87%
Ms. Yih Caroline Celestine (Note 5)	Interest of Spouse	20,400,000	8.87%
Ms. Kong Yee Ching, Ellen (Note 6)	Controlled corporation	13,600,000	5.91%

Notes:

1. Brilliant Eagle is beneficially owned as to about 60.89% by Gold Fortune Investments Limited.

2. Gold Fortune Investments Limited is beneficially held by Ms. Ng Wing Mee, Denise and her spouse Mr. Ip Mo Leung, Gary in equal shares of 50% each.

3. Goldfish Ventures Limited is beneficially held by Ms. Yeung Wing Yan, Wendy, Mr. Tsang Link Carl, Brian, and Mr. Yih Lai Tak, Dieter in equal shares of one-third each.

4. Ms. Wong Yuen Man, Frances is the spouse of Mr. Tsang Link Carl, Brian who owns one-third of the shares in Goldfish Ventures Limited. Therefore, she is deemed to be interested in the shares of which Mr. Tsang Link Carl, Brian is deemed to be interested in for the purpose of the SFO.

5. Ms. Yih Caroline Celestine is the spouse of Mr. Yih Lai Tak, Dieter who owns one-third of the shares in Goldfish Ventures Limited. Therefore, she is deemed to be interested in the shares of which Mr. Yih Lai Tak, Dieter is deemed to be interested in for the purpose of the SFO.

6. Eternal Fortune Management Limited holds 6,800,000 shares of the Company and Twin Luck Worldwide Holdings Ltd. holds 6,800,000 shares of the Company. The entire share capital of Eternal Fortune Management Limited and Twin Luck Worldwide Holdings Ltd. is solely held by Ms. Kong Yee Ching Ellen. She is deemed to have interests in the 13,600,000 shares of the Company held by Eternal Fortune Management Limited and Twin Luck Worldwide Holdings Ltd.

Save as disclosed above, the register required to be kept under section 336 of the SFO shows that as at 31 December 2008, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

Report of the Directors

SHARE OPTIONS

Pursuant to the resolution passed by the Shareholders on 25 June 2008, the Company approved and conditionally adopted a share option scheme whereby selected classes of the participants may be granted options to subscribe for shares at the discretion of the Board.

No options were granted under the share option scheme for the year ended 31 December 2008.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company, or any of its holding company, fellow subsidiaries and subsidiaries a party to any arrangement to enable the directors of the Company or their respective spouses or children under 18 years of age, to acquire benefits by means of the acquisition of shares in the Company.

MAJOR CUSTOMERS AND SUBCONTRACTORS

The percentage of sales and cost of services provided for the year attributable to the Group's major customers and subcontractors are as follows:

Sales	
– the largest customer	6.5%
– five largest customers	22.8%
Cost of services provided	
– the largest subcontractor	17.0%
– five largest subcontractors	45.0%

Saved as disclosed under the heading "Continuing Connected Transactions" below, none of the directors, their associates, or any shareholders (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had any interest in any of the five largest customers and subcontractors of the Group.

CONTINUING CONNECTED TRANSACTIONS

Sing Kee Printing Factory Limited ("Sing Kee") is one of the top five largest subcontractors of the Group. During the year, the Group incurred a subcontracting fee on printing services provided by Sing Kee in aggregate of approximately HK$16 million (2007: approximately HK$24.3 million) equivalent to approximately 12.3% (2007: approximately 13.6%) of total cost of services provided.

Mr. Ip Mo Leung, Gary (spouse of Ms. Ng Wing Mee, Denise) and Ms. Ng Wing Mee. Denise, through Gold Fortune Investments Limited (owned as to 50% by Mr. Ip Mo Leung, Gary and as to 50% owned by Ms. Ng Wing Mee, Denise), own approximately 60.89% shareholding interest in Brilliant Eagle, one of the Controlling Shareholders. Sing Kee is owned by Mr. Yip Sing Lam (father-in-law of Ms. Ng Wing Mee, Denise), Mr. Ip See Yuen (brother-in-law of Ms. Ng Wing Mee, Denise) and Mr. Yip King Man (cousin-in-law of Ms. Ng Wing Mee, Denise) as to 51%, 24%, 24% and 1% respectively. Accordingly, Sing Kee is an associate of Ms. Ng Wing Mee, Denise and Brilliant Eagle and is therefore a connected person of the Company.

The Group has engaged Sing Kee for the provision of printing service and entered a master subcontracting agreement with Sing Kee for an initial period of approximately 2.5 years ending on 31 December 2010.

The continuing connected transactions are exempt from strict compliance with the announcement and independent shareholders approval requirements under the Listing Rules. The Company has been granted a waiver by the Stock Exchange from strict compliance with such requirements under the Listing Rules. The annual caps are set at HK$28 million, HK$31 million and HK$34 million for the three financial years ending 31 December 2008, 2009 and 2010 respectively.

The Directors of the Company engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The procedures were performed solely to assist the Directors of the Company to evaluate in accordance with Rule 14A.38 of the Listing Rules, whether the continuing connected transactions entered into by the Group for the year ended 31 December 2008:

(a) have received the approval of the Board of Directors of the Company;

(b) have been entered into in accordance with the terms of the relevant agreement governing such transactions;

(c) have not exceeded the relevant cap amount for the period from the Listing Date to 31 December 2008 as disclosed in the Company's prospectus dated 30 June 2008; and

(d) have been entered into in accordance with the pricing policies of the Company.

The independent non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions were entered into by the Company in the ordinary course of its business, on normal commercial terms, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

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

The shares of the Company have been listed on the Main Board of the Stock Exchange since the Listing Date. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date to 31 December 2008.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float under the Listing Rules from the Listing Date to 31 December 2008.

CORPORATE GOVERNANCE

Report on the Company's corporate governance are set out on pages 17 to 20 of this report.

CODE OF BEST PRACTICE

The Company complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (the "Code") since the Listing Date of the Company.

Report of the Directors

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries, all Directors confirmed that they have complied with the Model Code since the Listing Date of the Company, and up to date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

REMUNERATION POLICY

The remuneration policy of the Group to reward its employees and Directors is based on their performance, duties and responsibilities, market comparables and the performance of the Group. Remuneration packages typically comprise salary, housing allowances, contribution to pension schemes and bonuses relating to the profit of the relevant company. The Remuneration Committee will regularly review and determine the specific remuneration and compensation of the Directors and the senior management of the Group.

DONATIONS

During the year, the Group made charitable donation amounting to HK$700,000.

AUDIT COMMITTEE

On 25 June 2008, the Group established an audit committee which consists of three independent non-executive Directors, namely Messrs. Tsang Wing Yee, Leung Pak Keung and Tse Chi Ming. Ms Tsang Wing Yee is the Chairman of the audit committee. The primary duties of the audit committee are to review the financial reporting and the effectiveness of internal control system of the Group. The audit committee has reviewed the Group's final report for the year ended 31 December 2008.

AUDITOR

These financial statements for the year ended 31 December 2008 were audited by Messrs. BDO McCabe Lo Limited. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint the auditor, BDO McCabe Lo Limited.

On behalf of the Board

Ng Wing Mee, Denise
Chairman

Hong Kong 30 March 2009

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Group believes that high standard of corporate governance and ethics are critical to its continuous success and long-term growth. In order to enhance the shareholders' value in the long run, the Group is committed to managing business with focuses on transparency, independence and accountability and developing its ethical corporate cultures.

The Company complied with all the Code from the date of which the shares are listed on the Stock Exchange up to 31 December 2008. We will periodically review and improve our corporate governance practice to ensure that the interests of shareholders are properly safeguarded and promoted.

BOARD OF DIRECTORS

The Board currently is composed of 5 Directors, including the Chairman and the managing director who are executive Directors, and 3 independent non-executive Directors.

The Board meets periodically to review the strategic policies, significant business transactions and business performance of the Group and to approve the release of interim and annual results for the Group. The Board will also investigate and resolve different events as and when warranted by particular circumstances. The Board approval is required for any matters likely to have a material impact on the business operation and/or financial positions of the Group as well as matters other than in the ordinary course of business.

All Directors have provided access to the senior management of the Group and the company secretary. Management information is provided to enable them to participate at the meetings or as and when requested. The company secretary provides secretarial support to the Board and ensures adherence to Board procedures and the relevant rules and regulations which are applicable to the Company.

CHAIRMAN AND EXECUTIVE DIRECTOR

Ms. Ng Wing Mee, Denise, is the Chairman and an executive Director, responsible for providing advice for the overall management and strategic development, and overseeing the operation of the Board. The other executive Director, Ms. Chiu Hok Yu acts as the Group's managing director who is responsible for the Group's overall management, corporate development, strategic planning and the supervision of day-to-day operation. The segregation of duties and responsibilities between the Chairman and the managing director aims to ensure a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors have academic background, appropriate professional qualification, management experiences, accounting or related financial management expertise. The Company will review regularly to ensure that the Board has a balance of skills, expertise and experience to manage the business of the Group. Pursuant to the requirement of the Listing Rules, one of the independent non-executive Directors is a Certified Public Accountant who chairs the Audit Committee.

The independent non-executive Directors of the Company are Ms. Tsang Wing Yee, Mr. Leung Pak Keung and Mr. Tse Chi Ming with the term of appointment from 1 March 2009 to 28 February 2010. Biographical details of the independent non-executive Directors are set out on pages 9 of this Annual Report.

The Company has received a written annual confirmation regarding their independence from each of its independent non-executive Directors in compliance with the requirements of the Listing Rules. The Company considered that all its independent non-executive Directors are independent to the Company in accordance with the independence guidelines as set out in the Listing Rules.

Corporate Governance Report

MEETING

Regular Board meeting shall be held at least four times a year, or approximately once at each quarter interval. Special meetings of the Board will be convened whenever necessary. Since the Company was newly listed on the Main Board of the Stock Exchange on the Listing Date, the Board convened a total of three regular meetings for the year ended 31 December 2008. The attendance of the meetings was as follows:

Executive Directors: Ms. Ng Wing Mee, Denise Chairman (3/3), Ms. Chiu Hok Yu (3/3)

Independent non-executive Directors: Ms. Tsang Wing Yee (2/3), Mr. Leung Pak Keung (3/3) and Mr. Tse Chi Ming (3/3)

DELEGATION

Based on the Company's organisation structure and operation procedures, the Board has established the line of responsibility and reporting. Duties and responsibilities in respect of daily operation, administration, financial and risk management control are delegated to the senior management. The senior management is empowered to assume their responsibility of day-to-day management under the leadership of the managing director.

Three Committees which are Audit Committee, Remuneration Committee and Nomination Committee have been established with defined terms of references during the year. The terms of references clearly specify the duties and responsibilities for all the Committees. All the Committees will make their recommendation to the Board for approval before any necessary action is taken.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Every Director received a copy of the Model Code and guidelines at the time of appointment. Having made specific enquiries with all Directors, the Company confirmed that the Directors had complied with the required standard of dealings and code of conduct from the Listing Date to 31 December 2008.

The Company also followed the guidelines on no less exacting terms than the Model Code for securities transactions by senior management or other staff who were in possession of unpublished price sensitive information of the Company.

AUDIT COMMITTEE

The Group established an Audit Committee on 25 June 2008 in compliance with Rules 3.21 and 3.23 of the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Ms. Tang Wing Yee, Mr. Leung Pak Keung and Mr. Tse Chi Ming. Ms. Tsang Wing Yee is the Chairman of the Audit Committee.

Meeting shall be held not less than 2 times a year. A representative of the external auditor shall normally attending meetings. The External auditor may request a meeting if they consider necessary. The Board delegates the Audit Committee to investigate any activities within its terms of reference and obtain independent legal or professional advice as and when required. The primary duties of the Audit Committee are to review and supervise the financial reporting system and the internal control procedure; to review and recommend to the Board the appointment, remuneration, independence and objectivity of external auditor; and to review and monitor the selection process of subcontractors for printing services.

No Director is involved in selecting and deciding the Group's subcontractors for printing services in which the respective Directors or his associates have interest. The Group believes that an adequate and effective internal control system is fundamental to safeguard the assets of the Group as well as the long-term interest of the shareholders.

For the year ended 31 December 2008, the Audit Committee held two meetings the attendance of which was as follows: Ms. Tsang Wing Yee (2/2), Mr. Leung Pak Keung (2/2) and Mr. Tse Chi Ming (2/2). During the respective meetings, the Audit Committee had reviewed and recommended the Company's interim results announcement and interim report for the six months ended 30 June 2008 and the annual results announcement and annual report for the year ended 31 December 2008 to the Board for approval. The Audit Committee also reviewed and concluded with satisfaction to the effectiveness of internal control system of the Group.

REMUNERATION COMMITTEE

The Group established a Remuneration Committee in compliance with Appendix 14 of the Listing Rules. The Remuneration Committee consists of the three independent non-executive Directors, namely Mr. Leung Pak Keung, Ms. Tsang Wing Yee, and Mr. Tse Chi Ming. Mr. Leung Pak Keung is the Chairman of the Remuneration Committee. The primary function of the Remuneration Committee is to make recommendation to the Board on the remuneration of the Directors and the senior management of the Group and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors and the senior management of the Group. No Director is involved in deciding his own remuneration. The remuneration of directors and senior management is determined by having regards to individual performance and the Group's financial results.

For the year ended 31 December 2008, the Remuneration Committee held one meeting to approve the terms of executive Directors' service contract, review the remuneration policies of the Group and make recommendations to the Board. The attendance of meeting was as follows: Mr. Leung Pak Keung (1/1), Ms. Tsang Wing Yee (1/1) and Mr. Tse Chi Ming (1/1).

NOMINATION COMMITTEE

The Group established a Nomination Committee pursuant to a resolution of the Directors passed on 25 June 2008. The Nomination Committee consists of the three independent non-executive Directors, namely Mr. Tse Chi Ming, Ms. Tsang Wing Yee and Mr. Leung Pak Keung. Mr. Tse Chi Ming is the Chairman of the Nomination Committee. The primary function of the Nomination Committee is to make recommendation to the Board regarding candidates to fill vacancies on the Board and the senior management of the Group.

For the year ended 31 December 2008, the Nomination Committee held one meeting, the attendance of which was as follows: Mr. Tse Chi Ming (1/1), Ms. Tsang Wing Yee (1/1) and Mr. Leung Pak Keung (1/1). The Nomination Committee reviewed the structure, size and composition of the Board, selected and recommended qualified and suitable persons for the Group and assessed their independence and eligibility.

According the Company's bye-laws, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every director shall be subject to retirement at least once every three years. The retiring Directors are eligible to offer themselves for reelection.

The Nomination Committee recommended that Ms. Ng Wing Mee and Ms. Chiu Hok Yu who retire at the forthcoming annual general meeting by rotation are eligible to offer themselves for re-election. All other remaining Directors continue in office.

Corporate Governance Report

AUDITOR'S REMUNERATION

BDO McCabe Lo Limited is the auditor of the Company. The audit fee of the Group for the year ended 31 December 2008 was approximately HK$520,000. The non-audit service fee including tax related services, review and reporting services relative to proposed floatation on the Stock Exchange for the year ended 31 December 2008 was in a total of approximately HK$936,000.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES

It is the responsibility of the Board to present the annual and interim reports which give a true and fair view. The Board has selected and applied generally accepted accounting policies in Hong Kong with fair, prudent and reasonable judgments and estimates to prepare the consolidated financial statements on a going concern basis. The Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Board is responsible to maintain proper accounting records which reflect the financial position of the Group with reasonable accuracy. BDO McCabe Lo Limited, the independent auditor of the Group, is responsible to express an opinion on the financial statements based on their audit and reported solely to the shareholders of the Company.

INTERNAL CONTROL SYSTEM

The Board is responsible for establishing, maintaining and reviewing the system of internal control of the Group. In order to safeguard shareholders' interest and the Group's assets, the Audit Committee is authorised to review regularly the effectiveness and adequacy of control procedures for financial, operational and compliance and risk management functions. For the financial year ended 31 December 2008, the Audit Committee concluded satisfaction to the effectiveness of the Company's internal control system after review.

INVESTORS RELATIONS

On the Listing Date, the Company has successfully listed on the Stock Exchange and raised net proceeds of approximately HK$40.5 million. Since then, the Company endeavored to promote the relationships and communication with its investors. The Company realises that the transparency and timely disclosure of corporate information is essential for enhancing investors' understanding of the Group's financial position and performance.

The Company's annual general meeting provides a channel of direct communication between the Board and the shareholders. An annual general meeting circular of proposed resolution is delivered to all the shareholders not less than 21 days prior to the meeting. Any comments and questions from shareholders are welcome by the Board in the Annual General Meeting.

All the financial information and other disclosures, including interim result, final result, announcement, circular and other notice of the Company are available on our Company's website at www.ioneholdings.com and the Stock Exchange's website at www.hkex.com.hk.

Independent Auditor's Report

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Certified Public Accountants
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TO THE SHAREHOLDERS OF iONE HOLDINGS LIMITED
(卓智控股有限公司)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of iOne Holdings Limited (the "Company") set out on pages 23 to 56, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are 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 these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

BDO McCabe Lo Limited
Certified Public Accountants
Lee Ka Leung, Daniel
Practising Certificate Number P01220

Hong Kong, 30 March 2009

Consolidated Income Statement

For the year ended 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	5	**235,110**	370,064
Cost of services provided		**(130,270)**	(179,338)
Gross profit		**104,840**	190,726
Other income and gains	7	**2,270**	3,164
Selling and distribution expenses		**(23,345)**	(27,594)
Administrative expenses		**(37,187)**	(56,679)
Profit before income tax expense	8	**46,578**	109,617
Income tax expense	11	**(7,611)**	(20,171)
Profit for the year		**38,967**	89,446
Attributable to:			
Equity holders of the Company		**38,903**	87,359
Minority interests		**64**	2,087
		38,967	89,446
Dividends	13	**–**	80,206
Earnings per share			
– Basic (HK$)	14	**0.18**	0.44

Consolidated Balance Sheet

As at 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment	15	**7,264**	6,286
Deferred tax assets	24	**29**	–
		7,293	6,286
Current assets			
Work in progress		**2,790**	2,568
Trade receivables	17	**34,769**	71,856
Other receivables, deposits and prepayments		**6,503**	6,909
Income tax recoverable		**3,573**	–
Pledged bank deposit	18	**150**	500
Cash and cash equivalents	19	**97,600**	105,223
		145,385	187,056
Current liabilities			
Trade payables	20	**10,087**	8,971
Other payables and accruals		**26,837**	46,334
Amount due to a related company	21	**1,263**	10,204
Deferred income	23	**1,271**	972
Dividend payable		**–**	74,705
Income tax payable		**–**	13,553
		39,458	154,739
Net current assets		**105,927**	32,317
Total assets less current liabilities		**113,220**	38,603
Non-current liabilities			
Deferred income	23	**403**	891
Deferred tax liabilities	24	**730**	506
		1,133	1,397
Net assets		**112,087**	37,206
Capital and reserves			
Share capital	25	**2,300**	–
Reserves		**109,787**	36,701
Equity attributable to equity holders of the Company		**112,087**	36,701
Minority interests		**–**	505
Total equity		**112,087**	37,206

On behalf of the Board

Ng Wing Mee, Denise
Chairman

Chiu Hok Yu
Director

Balance Sheet

As at 31 December 2008

	Notes	HK$'000
Non-current assets		
Property, plant and equipment	15	415
Investments in subsidiaries	16	69,902
Deferred tax assets	24	29
		70,346
Current assets		
Other receivables, deposits and prepayments		2,093
Amounts due from subsidiaries	22	4,381
Cash and cash equivalents	19	48,118
		54,592
Current liabilities		
Other payables and accruals		497
Amount due to a subsidiary	22	11,972
Deferred income	23	379
		12,848
Net current assets		41,744
Total assets less current liabilities		112,090
Non-current liabilities		
Deferred income	23	403
Net assets		111,687
Capital and reserves		
Share capital	25	2,300
Reserves	27	109,387
Total equity		111,687

On behalf of the Board

Ng Wing Mee, Denise
Chairman

Chiu Hok Yu
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2008

	Attributable to equity holders of the Company							
	Share capital HK$'000 (note a)	**Share premium** HK$'000	**Special reserve** HK$'000 (note b)	**Retained profits** HK$'000	**Proposed dividend** HK$'000	**Sub-total** HK$'000	**Minority interests** HK$'000	**Total** HK$'000
At 1 January 2007	10,000	–	–	24,797	22,254	57,051	–	57,051
Distribution to then shareholders	(10,000)	–	–	–	–	(10,000)	–	(10,000)
Profit for the year, representing total recognised income for the year	–	–	–	87,359	–	87,359	2,087	89,446
Issue of shares	–	1	–	–	–	1	–	1
Issue of shares in respect of:								
share-based compensation	–	4,750	–	–	–	4,750	250	5,000
loss on deemed disposal of subsidiary	–	–	–	–	–	–	383	383
2006 final dividend paid	–	–	–	–	(22,254)	(22,254)	–	(22,254)
2007 interim dividend paid/payable	–	–	–	(80,206)	–	(80,206)	(2,215)	(82,421)
At 31 December 2007 and 1 January 2008	–	4,751	–	31,950	–	36,701	505	37,206
Profit for the year, representing total recognised income for the year	–	–	–	38,903	–	38,903	64	38,967
Acquisition of minority interests (note c)	–	–	–	(5,431)	–	(5,431)	(569)	(6,000)
Arising from Reorganisation	300	(4,751)	4,451	–	–	–	–	–
Issue of shares by way of placing and public offer	300	47,700	–	–	–	48,000	–	48,000
Expenses incurred in connection with the issue of new shares of the Company	–	(6,086)	–	–	–	(6,086)	–	(6,086)
Capitalisation issue	1,700	(1,700)	–	–	–	–	–	–
At 31 December 2008	**2,300**	**39,914**	**4,451**	**65,422**	**–**	**112,087**	**–**	**112,087**

Notes:

(a) The share capital of the Group at 1 January 2007 represented the nominal value of the issued share capital of iOne Financial Press Limited ("iOne FPL"). On 1 January 2007, Rising Win Ltd ("Rising Win") acquired the entire share capital of iOne FPL at an aggregate consideration of HK$10,000,000 which represented the nominal value of the issued share capital of iOne FPL at the time of acquisition, and Miracle View Group Ltd ("Miracle View") acquired the entire issued share capital of Rising Win on the same date. The share capital of the Group as at 31 December 2007 represented the nominal value of the issued share capital of Miracle View. The share capital of Miracle View has no par value, the consideration of US$100 (equivalent to approximately HK$780) received from the issuance of share capital of Miracle View was recognised as share premium.

(b) Special reserve represents the difference between the aggregate amount of the share capital and share premium of the subsidiaries acquired and the nominal value of the shares issued by the Company for the acquisition pursuant to the Reorganisation set out in note 3(a) to the financial statements.

(c) During the year, the Group acquired the remaining 5% equity interests in a subsidiary, Rich Partners Holdings Limited ("Rich Partners"), from a minority shareholder, who is also a senior management personnel of the Group, at a cash consideration of HK$6,000,000. The difference between the consideration and the minority interests was recognised in retained profits.

Consolidated Cash Flow Statement

For the year ended 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
Cash flows from operating activities			
Profit before income tax expense		**46,578**	109,617
Adjustments for:			
Interest income		**(1,273)**	(2,736)
Depreciation of property, plant and equipment		**2,066**	1,451
Share-based compensation expense		**–**	5,000
Loss on deemed disposal of a subsidiary		**–**	383
Loss/(gain) on disposal of property, plant and equipment		**118**	(107)
Operating cash flows before movements in working capital		**47,489**	113,608
(Increase)/decrease in work in progress		**(222)**	289
Decrease/(increase) in trade receivables		**37,087**	(222)
Decrease/(increase) in other receivables, deposits and prepayments		**406**	(2,610)
Increase/(decrease) in trade payables		**1,116**	(18,557)
(Decrease)/increase in other payables and accruals		**(19,497)**	31,893
(Decrease)/increase in amount due to a related company		**(8,941)**	4,580
Decrease in deferred income		**(189)**	(149)
Cash generated from operations		**57,249**	128,832
Hong Kong Profits Tax paid		**(24,542)**	(11,389)
Net cash from operating activities		**32,707**	117,443
Cash flows from investing activities			
Interest received		**1,273**	2,736
Purchase of property, plant and equipment		**(3,167)**	(5,767)
Proceeds from disposal of property, plant and equipment		**5**	265
Decrease/(increase) in pledged bank deposit		**350**	(500)
Decrease/(increase) in fixed deposits with original maturities of over three months		**7,307**	(7,307)
Acquisition of minority interests		**(6,000)**	–
Net cash used in investing activities		**(232)**	(10,573)
Cash flows from financing activities			
Dividends paid by subsidiaries to their then shareholders prior to the Reorganisation		**(74,705)**	(29,970)
Distribution to then shareholders		**–**	(10,000)
Proceeds from issue of new shares		**48,000**	1
Expenses paid in connection with the issue of new shares		**(6,086)**	–
Net cash used in financing activities		**(32,791)**	(39,969)
Net (decrease)/increase in cash and cash equivalents		**(316)**	66,901
Cash and cash equivalents at beginning of the year		**97,916**	31,015
Cash and cash equivalents at end of the year	19	**97,600**	97,916

Notes to the Financial Statements

31 December 2008

1. GENERAL

iOne Holdings Limited (the "Company") is a public limited company incorporated in Bermuda. Its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at 12th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in the provision of financial printing services in Hong Kong.

The Company's parent and ultimate parent is Brilliant Eagle International Ltd. (incorporated in the British Virgin Islands ("BVI")).

2. ADOPTION OF AMENDMENTS AND NEW HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) In the current year, the Group has applied, for the first time, the following amendments and new interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the current accounting period of the Group and the Company.

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
HK(IFRIC) – Interpretation 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Interpretation 12	Service Concession Arrangements
HK(IFRIC) – Interpretation 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above amendments and new interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

(b) Potential impact arising on HKFRSs not yet effective

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

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards [3]
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation [2]
Amendment to HKAS 39	Eligible Hedged Items[3]
Amendments to HKFRS 1 and HKAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
Amendments to HKFRS 7	Improving Disclosures about Financial Instruments[2]

2. ADOPTION OF AMENDMENTS AND NEW HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) Potential impact arising on HKFRSs not yet effective (Continued)

Amendments to HK(IFRIC) – Interpretation 9 and HKAS 39	Embedded Derivatives[4]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKFRS 2 Amendment	Share-based Payment– Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers[7]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2009
3 Effective for annual periods beginning on or after 1 July 2009
4 Effective for annual periods ending on or after 30 June 2009
5 Effective for annual periods beginning on or after 1 July 2008
6 Effective for annual periods beginning on or after 1 October 2008
7 Effective for transfers of assets from customers received on or after 1 July 2009

The Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors of the Company so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. GROUP REORGANISATION AND BASIS OF PREPARATION

(a) Group Reorganisation

Under a group reorganisation scheme (the "Reorganisation") to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 25 June 2008.

Details of the Reorganisation are set out in the paragraph headed "Corporate reorganisation" in Appendix V to the prospectus dated 30 June 2008 issued by the Company.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group have been prepared in accordance with accounting policies as set out in note 4(a).

(b) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

(c) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(d) Use of estimate and judgments

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 32.

(e) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$") which is the same as the functional currency of the Company.

4. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies are eliminated in full in preparing the consolidated financial statements.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. For disposals to minority interests, the difference between any proceeds received and the relevant share of minority interests are also recognised in equity.

Common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Common control combinations (Continued)

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the previous balance sheet date or when they first came under common control, where this is a shorter period.

(b) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's balance sheet, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date. The useful lives are as follows:

Leasehold improvements	2 to 5 years
Furniture and fixtures	2 to 5 years
Office equipment	2 to 5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the income statement on disposal.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Operating leases

Leases that do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Rentals payable under operating leases are recognised in the income statement on a straight-line basis over the terms of the respective leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(e) Financial instruments

(i) Financial assets

Loans and receivables 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 and also incorporate other types of contractual monetary asset. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and at each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

Objective evidence that the asset is impaired includes observable data that comes to the attention of the Group includes the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

An impairment loss is recognised in the income statement and directly reduces the carrying amount of financial asset 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.

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

(iii) Financial liabilities

Financial liabilities, including trade and other payables, accruals, amount due to a related company and dividend payable, are initially recognised at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in the income statement.

Gains or losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Financial instruments (Continued)

(iv) Equity instruments

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

(v) 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.

(f) Work in progress

Work in progress represents costs incurred on uncompleted financial printing projects that comprise costs of direct materials, subcontractors and labour directly engaged in providing the services and attributable overheads. Work in progress is stated at lower of cost and net realisable value.

(g) Revenue recognition

Revenue from provision of financial printing services is recognised when the services are provided and the transactions can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group.

Interest income is recognised on a time basis on the principal outstanding at the applicable interest rate.

(h) Income taxes

Income taxes for the year 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 balance sheet date.

Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes and is accounted for using the balance sheet liability method. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all 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 expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Income taxes are recognised in the income statement except when they relate to items directly recognised to equity in which case the taxes are also directly recognised in equity.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Foreign currency

Transactions entered into by Group entities in currencies other than the currency of the primary economic environment in which it operates (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 balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the income statement in the period in which they arise.

(j) Employee benefits

(i) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in income statement when the services are rendered by the employees.

(ii) Termination 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.

(iii) Share-based compensation

The fair value of the employee services received in exchange for the grant of the shares of companies in the Group is recognised as staff costs in the income statement with a corresponding increase in the share capital and share premium under equity of the Group.

(k) Impairment of other assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and investments in subsidiaries 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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

(l) 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.

(m) Dividends

Interim dividends are recognised directly as a liability when they are proposed and declared by the directors.

Final dividends proposed by the directors are classified as a separate allocation of retained profits within capital and reserves in the balance sheet. Final dividends are recognised as a liability when they are approved by the shareholders.

5. TURNOVER

An analysis of the Group's turnover for the year is as follows:

	2008	2007
	HK$'000	HK$'000
Financial printing services:		
— Printing and translation	**208,081**	274,407
— Advertising	**27,029**	95,657
	235,110	370,064

6. SEGMENT INFORMATION

During the year, the Group has one single business segment, namely the provision of financial printing services. Although the financial printing services are currently organised into two revenue divisions of printing and translation, and advertising, the management considers that these revenue divisions are subject to similar risks and returns. Historically, management only relied on the reported revenue associated from these revenue divisions in making financial decisions and allocating resources, and significant costs incurred associated with the revenue generated could not be separately identified in accordance to these revenue divisions. In addition, all of the Group's revenue is generated in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no business or geographical segment information is presented.

7. OTHER INCOME AND GAINS

	2008 **HK$'000**	2007 HK$'000
Bank interest income	**1,273**	2,736
Gain on disposal of property, plant and equipment	**–**	107
Exchange gains, net	**3**	17
Others	**994**	304
	2,270	3,164

8. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense has been arrived at after charging:

	2008 **HK$'000**	2007 HK$'000
Depreciation of property, plant and equipment	**2,066**	1,451
Auditor's remuneration	**520**	250
Loss on disposal of property, plant and equipment	**118**	–
Loss on deemed disposal of a subsidiary*	**–**	383
Operating lease rentals for rented office premises and equipment	**10,053**	8,064
Bad debts written off	**–**	116
Staff costs (note 9)	**71,509**	89,565

* It represented the effect on granting of five shares of a subsidiary to a senior management personnel (note 9).

9. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2008 HK$'000	2007 HK$'000
Salaries, commissions, bonuses and other allowances	**69,933**	83,179
Retirement benefits scheme contributions	**1,576**	1,386
Share-based compensation benefits	**–**	5,000
	71,509	89,565

Share-based compensation benefits represented the fair value of five shares of Rich Partners granted to Ms. Chan Yi Mei, Amy, a senior management personnel, as incentives and rewards for her contribution to the Group. The recognition of the share-based compensation benefits reduced the Group's profit for the year ended 31 December 2007 by HK$5,000,000 and increased the Group's share premium and minority interests at 31 December 2007 by HK$4,750,000 and HK$250,000 respectively. The fair value of services received in return for shares granted was measured by reference to the fair value of shares granted, which was measured based on the professional valuation dated 19 December 2007 prepared under the market approach by, LCH (Asia-Pacific) Surveyors Limited, an independent firm of professional valuers registered in Hong Kong.

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of the emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

	2008 HK$'000	2007 HK$'000
Fees	**600**	–
Salaries, commissions and other allowances	**3,052**	1,292
Bonuses	**8,928**	15,380
Retirement benefits scheme contributions	**26**	16
	12,606	16,688

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of each of the directors during the years ended 31 December 2008 and 2007 is as follows:

	Fees HK$'000	Salaries, commissions and other allowances HK$'000	Bonuses HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Year ended 31 December 2008					
Executive directors					
Ng Wing Mee, Denise	**–**	**1,680**	**5,943**	**14**	**7,637**
Chiu Hok Yu	**–**	**1,372**	**2,985**	**12**	**4,369**
Independent non- executive directors					
Leung Pak Keung	**200**	**–**	**–**	**–**	**200**
Tsang Wing Yee	**200**	**–**	**–**	**–**	**200**
Tse Chi Ming	**200**	**–**	**–**	**–**	**200**
	600	**3,052**	**8,928**	**26**	**12,606**

	Fees HK$'000	Salaries, commissions and other allowances HK$'000	Bonuses HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Year ended 31 December 2007					
Executive directors					
Ng Wing Mee, Denise	–	280	9,046	4	9,330
Chiu Hok Yu	–	1,012	6,334	12	7,358
	–	1,292	15,380	16	16,688

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

(b) Five highest paid employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2007: two) were directors of the Company whose emoluments are included in note 10(a) above. The emoluments of the remaining three (2007: three) individuals were as follows:

	2008 **HK$'000**	2007 HK$'000
Salaries, commissions and other allowances	**9,681**	12,048
Bonuses	**4,791**	7,975
Retirement benefits scheme contributions	**36**	36
Share-based compensation benefits	**–**	5,000
	14,508	25,059

Their emoluments were within the following bands:

	2008 **No. of employees**	2007 No. of employees
HK$		
3,000,001-3,500,000	**1**	–
4,500,001-5,000,000	**–**	1
5,000,001-5,500,000	**1**	1
6,000,001-6,500,000	**1**	–
15,000,001-15,500,000	**–**	1

No remuneration has been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors have waived any remuneration during the year.

11. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

	2008 **HK$'000**	2007 HK$'000
Current tax – Hong Kong Profits Tax		
— tax for the year	**7,302**	19,815
— under-provision in respect of prior years	**114**	–
	7,416	19,815
Deferred tax (note 24)		
— current year	**224**	356
— attributable to decrease in tax rate	**(29)**	–
	195	356
	7,611	20,171

The income tax expense for the year can be reconciled to the profit before income tax expense per consolidated income statement as follows:

	2008 **HK$'000**	2007 HK$'000
Profit before income tax expense	**46,578**	109,617
Tax calculated at the Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	**7,685**	19,183
Tax effect of income not subject to tax	**(330)**	(495)
Tax effect of expenses not deductible for tax purpose	**142**	1,350
Tax effect of temporary difference not recognised	**–**	500
Under-provision of income tax expense for the year	**–**	(367)
Under-provision in respect of prior years	**114**	–
Income tax expense	**7,611**	20,171

Notes to the Financial Statements

31 December 2008

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company includes a loss of HK$5,754,000 which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

	HK$'000
Loss which has been dealt with in the Company's financial statements	(5,754)
Management fee from subsidiaries	5,835
Financial printing charges to subsidiaries	(52)
Company's profit for the period (note 27)	29

13. DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation and up to the year ended 31 December 2008.

During the year ended 31 December 2007, Miracle View, a subsidiary of the Company, declared interim dividends for the year ended 31 December 2007 of HK$80,206,000 to its then shareholders prior to the Reorganisation.

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the year of HK$38,903,000 (2007: HK$87,359,000) and the weighted average of 214,262,295 shares (2007: 200,000,000 shares) that would have been in issue throughout the year.

The 200,000,000 shares that were issued prior to the listing of the Company's shares on the Stock Exchange on 14 July 2008 and pursuant to the Reorganisation are treated as if they had been in issue throughout both years.

No diluted earnings per share has been presented as there are no potential dilutive ordinary shares outstanding during the years ended 31 December 2008 and 2007.

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Total HK$'000
Cost				
At 1 January 2007	1,843	2,661	1,076	5,580
Additions	2,933	1,932	902	5,767
Disposals	–	(615)	(187)	(802)
At 31 December 2007 and 1 January 2008	4,776	3,978	1,791	10,545
Additions	271	2,749	147	3,167
Disposals	(168)	(250)	(20)	(438)
At 31 December 2008	4,879	6,477	1,918	13,274
Accumulated depreciation				
At 1 January 2007	958	1,851	643	3,452
Provided for the year	676	531	244	1,451
Eliminated on disposals	–	(522)	(122)	(644)
At 31 December 2007 and 1 January 2008	1,634	1,860	765	4,259
Provided for the year	930	803	333	2,066
Eliminated on disposals	(65)	(242)	(8)	(315)
At 31 December 2008	2,499	2,421	1,090	6,010
Net book values				
At 31 December 2008	2,380	4,056	828	7,264
At 31 December 2007	3,142	2,118	1,026	6,286

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

	Leasehold improvements HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Total HK$'000
Cost				
Additions during the period and at 31 December 2008	267	51	98	416
Accumulated depreciation				
Provided for the period and at 31 December 2008	1	–	–	1
Net book values				
At 31 December 2008	266	51	98	415

16. INVESTMENTS IN SUBSIDIARIES

	2008 HK$'000
Unlisted shares, at cost	69,902

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries of the Company at 31 December 2008 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid Share capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
Miracle View	BVI/Hong Kong	100 no par value registered shares	100%	–	Investment holding
Rising Win	BVI/Hong Kong	1 no par value registered share	–	100%	Investment holding
Rich Partners	BVI/Hong Kong	100 ordinary shares of US$1 each	–	100%	Investment holding
iOne FPL	Hong Kong	10,000,000 ordinary shares of HK$1 each	–	100%	Provision of financial printing services
iOne (Regional) Financial Press Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Provision of financial printing services
RFP Holdings Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Business not yet commenced
RFP Financial Press Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Business not yet commenced
Richroad Group Limited	BVI/Hong Kong	1 no par value registered share	–	100%	Investment holding
iOne Translation Company Limited	Hong Kong	1 ordinary share of HK$1	–	100%	Business not yet commenced

None of the subsidiaries of the Company had issued any debt securities at 31 December 2008.

17. TRADE RECEIVABLES

The Group generally allows a credit period of 30 days to its customers. The aged analysis of trade receivables, based on invoice due date, is as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Current – neither past due nor impaired	**7,668**	34,475
1 – 90 days past due	**16,881**	27,711
91 – 180 days past due	**2,626**	3,936
181 – 365 days past due	**7,592**	5,574
Over 365 days past due	**2**	160
Amounts past due but not impaired	**27,101**	37,381
	34,769	71,856

Receivables that were neither past due nor impaired related to customers for whom there was no recent history of default. Receivables that were past due but not impaired related to customers that have good creditworthiness. Based on past experience, the management considered no impairment is necessary as there has not been a significant change in credit quality of these balances, which are still considered fully recoverable.

18. PLEDGED BANK DEPOSIT

Pledged bank deposit represents deposit pledged to a bank to secure general banking facilities granted to the Group. At 31 December 2008, the pledged bank deposit carried fixed interest on prevailing market rate of 3% (2007: 4.25%) per annum.

19. CASH AND CASH EQUIVALENTS

	Group 2008 HK$'000	Group 2007 HK$'000	Company 2008 HK$'000
Cash at bank and on hand	**12,659**	6,796	**374**
Fixed deposits with original maturities of three months or less	**84,941**	91,120	**47,744**
Fixed deposits with original maturities of over three months	**–**	7,307	**–**
Cash and cash equivalents in the balance sheets	**97,600**	105,223	**48,118**
Less: Fixed deposits with original maturities of over three months	**–**	(7,307)	
Cash and cash equivalents in the consolidated cash flow statement	**97,600**	97,916	

At 31 December 2008, the fixed deposits with original maturities of three months or less carry fixed interest on prevailing market rates ranging from 0.1% to 1.7% (2007: 2.23% to 4.66%) per annum.

At 31 December 2007, the fixed deposits with original maturities of over three months carry fixed interest on prevailing market rates ranging from 3.42% to 4.55% per annum.

20. TRADE PAYABLES

The Group normally receives credit terms of 30 days to 60 days from its suppliers. The aged analysis of the Group's trade payables, based on invoice due date, is as follows:

	Group 2008 HK$'000	Group 2007 HK$'000
Current	**4,699**	5,856
1 – 90 days past due	**4,833**	2,969
91 – 180 days past due	**364**	99
181 – 365 days past due	**107**	45
Over 365 days past due	**84**	2
	10,087	8,971

21. AMOUNT DUE TO A RELATED COMPANY

The spouse of a director, Ms. Ng Wing Mee, Denise, has beneficial interests in the related company.

The balance is of trade nature and unsecured, interest-free and repayable on demand.

The aged analysis of the amount due to a related company, based on invoice due date, is as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Current	**558**	5,446
1 – 90 days past due	**705**	4,758
	1,263	10,204

22. AMOUNTS DUE FROM SUBSIDIARIES/AMOUNT DUE TO A SUBSIDIARY

The balances are unsecured, interest-free and repayable on demand.

23. DEFERRED INCOME

Deferred income represents the aggregate benefit of incentives, including cash allowance and rent-free period, for the agreement of operating leases provided by the lessors to the Group. It is recognised as a reduction of rental expense in the income statement over the lease terms on a straight-line basis.

24. DEFERRED TAX

Deferred tax recognised in the balance sheets and movement during the year are as follows:

	Group			Company		
	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 January 2007	150	–	150	–	–	–
Charge to income statement	356	–	356	–	–	–
At 31 December 2007 and 1 January 2008	506	–	506	–	–	–
Charge/(credit) to income statement	282	(58)	224	29	(58)	(29)
Effect of change in tax rate	(29)	–	(29)	–	–	–
At 31 December 2008	759	(58)	701	29	(58)	(29)

For the purpose of balance sheets presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Group		Company
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**
Deferred tax assets	**(29)**	–	**(29)**
Deferred tax liabilities	**730**	506	**–**
	701	506	**(29)**

25. SHARE CAPITAL

(a) Authorised and issued share capital

	Notes	Number of shares	Nominal value HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
On the date of incorporation	(a)	1,000,000	10
Increase on 25 June 2008	(b)	299,000,000	2,990
At 31 December 2008		300,000,000	3,000
Issued and fully paid:			
Allotted and issued at nil paid on 28 February 2008	(a) & (c)	10,000	–
Issue of shares upon the Reorganisation	(c)	29,990,000	300
Issue of shares by way of placing and public offer	(d)	30,000,000	300
Issue of shares by way of capitalisation of share premium account	(e)	170,000,000	1,700
At 31 December 2008		230,000,000	2,300

The amount of share capital shown on consolidated balance sheet at 31 December 2007 represented the nominal value of the issued share capital of Miracle View prior to the Reorganisation.

Notes:

(a) On 24 January 2008, the Company was incorporated in Bermuda with authorised share capital of HK$10,000 divided into 1,000,000 shares of HK$0.01 each. On 28 February 2008, 10,000 shares of HK$0.01 each were allotted and issued at nil paid to the subscribers.

(b) Pursuant to resolutions in writing of all shareholders of the Company passed on 25 June 2008, the authorised share capital of the Company was increased from HK$10,000 to HK$3,000,000 by creation of an additional 299,000,000 shares of HK$0.01 each.

(c) On 25 June 2008, as part of the Reorganisation, the Company (i) issued 29,990,000 new ordinary shares of HK$0.01 each credited as fully paid at par, and (ii) credited as fully paid at par for the then existing 10,000 shares issued at nil paid on 28 February 2008 referred in (a) above, in consideration of and in exchange for the acquisition of the entire issued share capital of Miracle View.

25. SHARE CAPITAL (Continued)

(a) Authorised and issued share capital (Continued)

Notes: (Continued)

(d) On 11 July 2008, 30,000,000 new ordinary shares of HK$0.01 each were issued by way of placing to professional, institutional and individual investors and public offer to the public at a price of HK$1.60 per share. On 14 July 2008, the Company's shares were listed on the Stock Exchange.

(e) On 11 July 2008, 170,000,000 new ordinary shares of HK$0.01 each were allotted and issued as fully paid at par to the shareholders of the Company on the register of members of the Company at the close of business on 25 June 2008, by way of capitalisation of the sum of HK$1,700,000 standing to the credit of the share premium account of the Company, conditional on the share premium account being credited as a result of placing and public offer of shares as set out in (d) above. For the purpose of preparing the financial statements, these shares were deemed to have been in issue throughout the year ended 31 December 2008.

All the shares which were issued by the Company during the year rank pari passu with each other in all respects.

(b) Capital risk management

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to equity holders of the Company. At 31 December 2008, no external debts were raised by the Group.

The directors of the Company review the capital structure regularly. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital, payment of dividends, new share issues as well as the raise of bank borrowings.

26. SHARE OPTION SCHEME

Pursuant to the written resolutions passed by the shareholders of the Company on 25 June 2008, the Company adopted a share option scheme (the "Share Option Scheme"). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Share Option Scheme, the directors of the Company may, at their absolute discretion, offer eligible participants, being, employees or executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and suppliers, consultants and advisers who will provide or have provided services to the Group, options to subscribe for shares in the Company representing up to maximum 10% of the shares in issue as at the date of commencement of listing of shares of the Company on the Stock Exchange and subject to renewal with shareholders' approval . The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the Company issued share capital, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HK$5,000,000 must be approved by the Company's shareholders.

Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will be not less than the highest of the closing price of the Company's shares on the date of grant, the average closing prices of the Company's shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

No option was granted by the Company under the Share Option Scheme since its adoption and up to 31 December 2008.

27. RESERVES

Company

	Share premium HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 24 January 2008 (date of incorporation)	–	–	–	–
Profit for the period, representing total recognised income for the period	–	–	29	29
Arising from Reorganisation	–	69,602	–	69,602
Issue of shares by way of placing and public offer	47,700	–	–	47,700
Expenses incurred in connection with the issue of new shares of the Company	(6,244)	–	–	(6,244)
Capitalisation issue	(1,700)	–	–	(1,700)
At 31 December 2008	39,756	69,602	29	109,387

The contributed surplus of the Company represents the difference between the consolidated net assets of the subsidiaries at the date on which they were acquired by the Company, and the nominal amount of the Company' shares issued for the acquisition at the time of the Reorganisation.

28. MAJOR NON-CASH TRANSACTIONS

On 25 June 2008, the Company issued 29,990,000 new ordinary shares of HK$0.01 each credited as fully paid at par and credited as fully paid at par for the then existing 10,000 shares issued at nil paid on 28 February 2008, as consideration for the exchange of investment in Miracle View held by the then shareholders of Miracle View.

On 11 July 2008, the Company allotted 170,000,000 new shares of HK$0.01 each to the shareholders of the Company on the register of member of the Company at the close of business on 25 June 2008, by the way of capitalisation of the sum of HK$1,700,000 standing to the credit of the share premium account of the Company.

29. OPERATING LEASES

As lessee

The Group leases a number of office premises and office equipment under operating leases. The leases generally run for an initial period of one to six years. None of the leases includes contingent rentals.

At the balance sheet date, the Group and the Company was committed to make the following future minimum lease payments in respect of rented office premises and equipment under non-cancellable operating leases, which fall due as follows:

	Group		Company
	2008	2007	**2008**
	HK$'000	HK$'000	**HK$'000**
No later than one year	**14,556**	10,102	**4,872**
Later than one year and not later than five years	**13,486**	17,069	**5,168**
	28,042	27,171	**10,040**

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2008	2007
	HK$'000	HK$'000
Printing charges paid to a related company	**16,009**	24,293
Listing expenses reimbursed by shareholders	**7,495**	–

The spouse of a director, Ms. Ng Wing Mee, Denise, has beneficial interests in the related company.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2008	2007
	HK$'000	HK$'000
Salaries, commissions and other allowances	**10,947**	9,236
Bonuses	**13,718**	23,334
Retirement benefits scheme contributions	**62**	52
Share-based compensation benefits	**–**	5,000
	24,727	37,622

The remuneration of directors and key management is determined by having regard to the performance of individuals and market trends.

31. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Currency risk

The Group carries out certain of its transactions in United States Dollars ("US$") and certain of its bank balances are denominated in US$. As HK$ is pegged to US$, the management does not expect any significant movements in the US$/HK$ exchange rate and considers the Group does not expose to significant currency risk.

The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets, mainly the interest bearing bank balances. The management monitors interest rate exposures and will consider hedging significant interest rate risk should the need arise.

At the balance sheet date, a reasonably possible change of 100 basis points in interest rates would have no significant impact on the profits or losses and other equity of the Group for the year.

(iii) Credit risk

The Group has no significant concentrations of credit risk with exposure spreading over a large number of counterparties and customers. The carrying amounts of bank balances, pledged bank deposit, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. In order to minimise the credit risk, the management monitors the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers the Group does not expose to significant credit risk.

The credit risk on bank deposits is limited because the counterparties have high credit ratings. The management does not expect any counterparty to fail to meet its obligations.

(iv) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents to meet its liquidity requirements in the short and longer term. The Group's financial liabilities mature in less than one year and most of them are repayable on demand.

32. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Group's management determines the useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and keen competitions from competitors. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete assets.

Impairment of trade receivables

In determining whether there is objective evidence of impairment loss, the Group takes into consideration the credit history of the customers and the current market conditions. The amount of the impairment loss is measured as the difference between the carrying amount of the trade receivables and the present value of estimated future cash flows discounted at the original effective interest rate of the trade receivables. Management reassesses the adequacy of impairment on a regular basis. Where the actual cash flows are less than expected, a material impairment loss may arise.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2009.

Financial Summary

	Year ended 31 December			
	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS				
Turnover	**235,110**	370,064	199,087	116,947
Profit before income tax expense	**46,578**	109,617	57,252	29,869
Income tax expense	**(7,611)**	(20,171)	(9,154)	(5,430)
Profit for the year	**38,967**	89,446	48,098	24,439

	As at 31 December			
	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES				
Total assets	**152,678**	193,342	111,933	52,256
Total liabilities	**(40,591)**	(156,136)	(54,882)	(28,303)
Total equity	**112,087**	37,206	57,051	23,953

Notes:

1. The Company was incorporated in Bermuda on 24 January 2008 and became the holding company of the Group with effect from 25 June 2008 upon the completion of the Reorganisation as set out in the Company's prospectus dated 30 June 2008.

2. The results for the three years ended 31 December 2007 and assets and liabilities of the Group as at 31 December 2007, 2006 and 2005 have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company's shares were listed on the Stock Exchange had been in existence throughout the years concerned. The figures for the three years ended 31 December 2007 have been extracted from the Company's prospectus dated 30 June 2008.