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
年報

09

* for identification purpose only 僅供識別

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Financial
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Contents

Corporate Information

BOARD OF DIRECTORS

Executive directors

Mr. Lee Wing Yin (appointed on 18 September 2009)
Chairman (appointed on 1 March 2010)
Mr. Lau Wai Shu (appointed on 18 September 2009)
Managing Director (appointed on 1 March 2010)
Ms. Ng Wing Mee, Denise
(Executive Director and Chairman)
(resigned on 18 September 2009)
Ms. Chiu Hok Yu
(Executive Director and Managing Director)
(resigned on 1 March 2010)

Independent non-executive directors

Mr. Yip Tai Him (appointed on 8 April 2009)
Mr. Lung Hung Cheuk (appointed on 18 September 2009)
Mr. Ng Chi Ming (appointed on 18 September 2009)
Mr. Tse Chi Ming (resigned on 18 September 2009)
Ms. Tsang Wing Yee (resigned on 18 September 2009)
Mr. Leung Pak Keung (resigned on 31 May 2009)

AUDIT COMMITTEE

Mr. Yip Tai Him (appointed on 8 April 2009)
Chairman (appointed on 18 September 2009)
Mr. Lung Hung Cheuk (appointed on 18 September 2009)
Mr. Ng Chi Ming (appointed on 18 September 2009)
Ms. Tsang Wing Yee (resigned on 18 September 2009)
Mr. Tse Chi Ming (resigned on 18 September 2009)
Mr. Leung Pak Keung (resigned on 31 May 2009)

REMUNERATION COMMITTEE

Mr. Lung Hung Cheuk (Chairman)
(appointed on 18 September 2009)
Mr. Ng Chi Ming (appointed on 18 September 2009)
Mr. Yip Tai Him (appointed on 8 April 2009)
Ms. Tsang Wing Yee (resigned on 18 September 2009)
Mr. Tse Chi Ming (resigned on 18 September 2009)
Mr. Leung Pak Keung (resigned on 31 May 2009)

NOMINATION COMMITTEE

Mr. Ng Chi Ming (Chairman)
(appointed on 18 September 2009)
Mr. Yip Tai Him (appointed on 8 April 2009)
Mr. Lung Hung Cheuk (appointed on 18 September 2009)
Mr. Tse Chi Ming (resigned on 18 September 2009)
Ms. Tsang Wing Yee (resigned on 18 September 2009)
Mr. Leung Pak Keung (resigned 31 May 2009)

SOLICITORS

Iu, Lai & Li

COMPLIANCE ADVISER

Sun Hung Kai International Limited

AUDITOR

BDO Limited

COMPANY SECRETARY

Mr. Lee Wing Yin FCCA, CPA
(appointed on 21 July 2009)
Mr. Ho Ming Fai FCCA, CPA
(resigned on 21 July 2009)
Mr. Ira Stuart OUTERBRIDGE III*
(* assistant secretary)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

Corporate Information

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

Mr. Lee Wing Yin (appointed on 21 July 2009)
Mr. Lau Wai Shu (appointed on 1 March 2010)
Mr. Ho Ming Fai (resigned on 21 July 2009)
Ms. Chiu Hok Yu (resigned on 1 March 2010)

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 annual results of iOne Holdings Limited ("iOne" or the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2009.

In December 2009, the Group has successfully merged the businesses of its two major operating subsidiaries, namely iOne Financial Press Limited ("iOne FPL") and iOne (Regional) Financial Press Limited ("iOne (Regional) FPL"). With the impetus from synergistic effect of the merger, the Group is committed to providing with our clients the highest standard of services and solutions.

PERFORMANCE

During the year ended 31 December 2009, the Group recorded a consolidated turnover of approximately HK$241.5 million (2008: approximately HK$235.1 million). The increase in the Group's turnover during the year was mainly attributable to the increase in revenue from the printing of IPO prospectus resulting from recovery of the financial market. Net profit after tax attributable to shareholders for the year ended 31 December 2009 was approximately HK$54.2 million (2008: approximately HK$38.9 million), representing a net profit margin of about 22.4%, compared with 16.5% for the previous year ended 31 December 2008. The increase was the result of the improved cost efficiency and gross profit margin for the financial year under review. Given the economic recession and high stock market volatility, the management considers the improvement in final result of 2009 is satisfactory.

REVIEW

In the first half of year 2009, the market was stagnant in the aftermath of financial tsunami. The global economy sank into severe recession. Inevitably, Hong Kong's economy was adversely affected by the sluggish economic condition, but it began to pick up in the second half of the year on the back of Hong Kong's strong fundamental strength, including stable banking system; a strong legal system; huge foreign exchange reserves; low taxation and Close Economic Partnership Arrangement with China, etc. The economy recovery was reflected in the improving figures in Gross Domestic Product (GDP), domestic demand, and export trade in the second half of the year. Together with the increasing capital inflow, the investors' confidence was restored and the fund raising activities in the capital market resumed rapidly.

Since I was appointed the executive director of the Company on 18 September 2009, the Board has performed business review to streamline the business operation and further strengthen the financial position of the Group. After thorough review, the Group has decided to undergo a merger of the businesses of the iOne FPL and iOne (Regional) FPL in order to enhance work quality, reduce cost and strengthen administrative efficiency. With the blend of merits of both subsidiaries, iOne continued to demonstrate its strengths in practical experience, constructive advices, first-class graphic design, efficient services, quality translation and global distribution network.

With strong commitment to expanding its clientele network, the Group has served more than 1,000 companies ranging from listed companies to many other reputable legal firms, renowned investment bankers, major accounting firms and other financial printing peer. To enhance its competitiveness, the Group has expanded its office to provide approximately 20,000 square feet of office and conferencing facilities with 14 fully-equipped conference rooms which may accommodate up to 200 guests simultaneously.

Chairman's Statement

MARKET RECOGNITION

Since the listing on the Hong Kong Stock Exchange in 2008, the Company gained better market recognition and market share in the industry. As a testimony to the excellence of the Group as a one-stop financial printer, the Group has gained continuous market recognition. So far, the Group had captured more than 200 awards, including the Titanium Achievement and Best of Hong Kong Awards in the International ARC Awards competition, the world's largest annual report award designed to honor companies that excel in annual report publishing and writing and creative designs. In addition, iOne FPL is the winner of the Platinum Achievement Award and the Eastern Hemisphere Grand Award of the 22nd International Mercury Award 2008. iOne FPL has also been nominated as the Grand Winner for the Best of Annual Reports – Eastern Hemisphere of the 23rd International Mercury Award 2009.

OUTLOOK

Looking ahead, the Group remains cautiously optimistic on the prospect of its business. Since the recovery of Hong Kong economy, the listing and fundraising activities have resumed during the year ended 31 December 2009. The negative factors have been gradually eliminated.

Meanwhile, the Group will continue to strengthen its competitiveness by constantly upgrading and improving its technical know-how and global distribution network. We are reviewing the plans to establish a production and translation hub and a representative office in mainland China. We also strive to expand our client base by exploring business network across the border. e.g. forging strategic alliance with overseas financial printing company. The Group trusts that this will offer us opportunities to develop the regional business relationships and enhance our global presence. Given our flexible, proactive and cautious business strategy, the Group is confident to derive desirable 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 to take this opportunity to thank our board of directors, management team and staff for their dedication and hard work during the last year.

Lee Wing Yin
Chairman

Hong Kong, 30 March 2010

Management Discussion and Analysis

BUSINESS REVIEW

The stock market sentiment improved gradually in 2009 and the number of new listing in Hong Kong increased as well. As a result, the Group's turnover for the year ended 31 December 2009 increased by approximately 2.7% when compared with the year ended 31 December 2008. The profit attributable to shareholders of the Company amounted to approximately HK$54.2 million (2008: approximately HK$38.9 million), representing an increase of approximately 39.3%. Basic earnings per share for the year was approximately HK0.59 cent (2008: approximately HK0.45 cent (restated)).

In December 2009, the Group has successfully merged the businesses of its two major operating subsidiaries, namely iOne Financial Press Limited ("iOne FPL") and iOne (Regional) Financial Press Limited ("iOne (Regional) FPL") and the benefit of the merger will be reflected in the following years.

FINANCIAL REVIEW

Turnover

The Group recorded a turnover of approximately HK$241.5 million for the year ended 31 December 2009, representing an increase of about 2.7% from approximately HK$235.1 million for the year ended 31 December 2008. Increase in revenue was attributable to 7.8% increase in revenue from advertising, 7.1% increase in revenue from translation and 1.2% increase in printing revenue. Both three areas showed positive growths amid the unfavorable external factors.

Gross Profit and Gross Profit Margin

The Group's consolidated gross profit rose 19.2% to approximately HK$124.9 million for the year ended 31 December 2009 from approximately HK$104.8 million for the previous financial year. Gross profit margin was approximately 51.7% for the year ended 31 December 2009, representing a year-on-year increase of approximately 7.1% from 44.6% for the previous financial year. The improvement in gross profit and gross profit margin was mainly attributable to the effective cost control and increase in revenue from Initial Public Offer (the "IPO") prospectuses.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended 31 December 2009 reduced to approximately HK$21.50 million (2008: approximately HK$23.3 million), a drop of approximately HK$1.8 million, mainly due to a reduction in promotion, overseas traveling, entertainment expenses for marketing personnel and remuneration expenses.

Administration Expenses

The Group's administrative expenses for the year ended 31 December 2009 amounted to approximately HK$38.6 million (2008: approximately HK$37.2million). The increase of HK$1.4 million was mainly attributable to the rise in rental charges and was partially set-off by reduction in other cost.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the Group's cash and bank balances amounted to approximately HK$129.4 million (2008: approximately HK$97.6 million) with no borrowings (2008: Nil). The Group has current assets of approximately HK$208.4 million (2008: approximately HK$145.4 million) and total current liabilities of approximately HK$48.4 million (2008: approximately HK$39.5 million). The Group's current ratio, defined as total current assets over total current liabilities, was 4.3 (2008: 3.7). The rise in liquidity was mainly attributable to the cash inflow generated from its operating activities.

Total equity of the Group as at 31 December 2009 stood at approximately HK$166.3 million (2008: approximately HK$112.1 million). The increase was mainly driven by the net profit after tax for the year. The Group's gearing ratio, being total liabilities over total assets was 22.7% (2008: 26.6%), representing an increase in total assets resulting from increase in cash inflow from operating activities and trade receivables.

Management Discussion and Analysis

2009 Global Recognition

Boasting its incredible creativity and impeccable project execution capability, iOne FPL design team was the champion in achieving the most international awards in the financial printing industry in 2009. The Group has captured over 200 awards, with a total of 34 Gold awards for its creative achievements, namely the Mercury Awards, the Astrid Awards, the ARC Awards, the Galaxy Awards and the Hong Kong Print Awards Competitions. Moreover, the Group was named winner of the Titanium Achievement Award*, the Platinum Achievement Award, and "The Best Of Hong Kong" Award among the aforesaid internationally recognized design competitions. With the highest percentage of wins among its fellow entrants, iOne FPL has proven its unquestionable market leading position with its stunning achievements.**

* The Titanium Achievement Award is presented to the entrant with highest percentage of wins in the International ARC Awards, among eighteen hundred design entries from 25 countries.

** The Platinum Achievement Award is presented by the Mercury Award for the outstanding achievement of the agency which won the most awards on behalf of their clients.

CAPITAL STRUCTURE

There is no material change in capital structure of the Company during the year.

Subsequent to the year ended 31 December 2009, the ordinary resolution for approving the share subdivision (the "Share Subdivision") was duly passed by the shareholders in the special general meeting held on 11 January 2010. As a result, each of the existing issued and unissued shares of HK$0.01 each in the share capital of the Company was subdivided into 40 shares of HK$0.00025 each effective from 12 January 2010. Upon completion of procedure of the Share Subdivision, the subdivided shares have been traded on the Stock Exchange in board lots of 20,000 subdivided shares.

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 2009, 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 2009.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS

For the year ended 31 December 2009, the Group did not acquire any investments or properties. There was no material acquisition and disposal of subsidiaries and associates during the year.

EMPLOYEES

As at 31 December 2009, the Group had a total of about 139 employees (2008: approximately 179). Staff cost of the Group for the financial year was approximately HK$65.4 million (2008: approximately HK$71.5 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.

PLEDGE OF ASSETS

As at 31 December 2009, a bank deposit of approximately HK$0.2 million (2008: approximately HK$0.2 million) was pledged to a bank to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2009, the Group did not have any contingent liabilities.

Management Discussion and Analysis

CAPITAL EXPENDITURE

For the year ended 31 December 2009, capital expenditure for property, plant and equipment of the Group amounted to approximately HK$2 million (2008: approximately HK$3.2 million).

CAPITAL COMMITMENTS

As at 31 December 2009, 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 on 14 July 2008, 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 IPO prospectus of the Company dated 30 June 2008. During the year under review, the Group applied approximately HK$2.2 million of the net proceeds from the IPO to upgrade its facility by renovation of its head office, operation area and translation division. As at 31 December 2009, the aggregate amount of proceeds used was HK$6 million. Save for the amounts allocated for the aforementioned intended uses, and pending the utilisation of the proceeds, the Group has placed the remaining proceeds on saving deposits with authorised financial institutions and/or licensed banks in Hong Kong.

BUSINESS PLAN

The Group's fundamental business objective is to establish itself as an international financial printing service provider in the financial sector by strengthening its core competitiveness. After the merger of iOne FPL and iOne (Regional) FPL the Group would enjoy the combined merit of both major operating subsidiaries of the Group and benefit from the synergistic effect of the merger, which would not only reduce costs, but also enhance work quality and strengthen administrative efficiency.

In light of the economy recovery, the Group will take a prudent approach to its expansion plan. It will continue to seek any opportunities for strategic alliance with regional partners for new market and business development. The Group will review its feasibility study on expansion plans, including the establishment of a representative office in Beijing and a backup production and translation hub in mainland China as stated in the IPO prospectus, in view of lower production costs and economic growth in mainland China. Furthermore, the Group will continue to refine its office facilities, to streamline work procedure and to upgrade the software and equipment with an aim to enhancing its competitiveness in the sector.

Aimed at maximizing profit and return for the Group and our shareholders, the Group will strive to stay focused on enhancing the competitiveness of its core business and on exploring new business opportunities.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lee Wing Yin

Mr. Lee, aged 40, has been appointed as an executive director and the Chairman of the Company since September 2009 and March 2010 respectively. He is responsible for provision of advice for overall management, strategic development and supervision of the Group. Mr. Lee is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He has over nine years of working experience in auditing and business advisory services and had worked for international accounting firms for six years. Mr. Lee is currently the qualified accountant and company secretary of Richfield Group Holdings Limited (stock code: 8136), a company listed on the Growth Enterprise Market of the Stock Exchange (the "GEM"). He also held various senior financial management positions in various local companies. Mr. Lee is a director of Profit Allied Limited, a company incorporated in British Virgin Islands with limited liability which is beneficiary and wholly owned by Mr. Pong Wai San, Wilson ("Mr. Pong"), being the substantial shareholder of the Company. On 17 December 2004, the Stock Exchange publicly censured Mr. Lee, being director of a listing applicant, for his endorsement of the sponsor's submission and views while having at all material times full knowledge of the material information, thereby causing the listing applicant to breach its undertaking to the Stock Exchange in a listing application, and consequently Mr. Lee was in breach of his director's undertakings to the Stock Exchange.

Mr. Lau Wai Shu

Mr. Lau, aged 49, has been appointed as an executive director and the managing director of the Company since September 2009 and March 2010 respectively. He is responsible for the Group' overall management, corporate development and strategic planning. Mr. Lau holds a bachelor's degree in Applied Science (civil engineering) from the University of Ottawa, Ontario, Canada and had worked for various companies with over 18 years of experience in management and marketing. Mr. Lau was an executive director of Midland IC&I Limited (stock code: 459) and resigned in June 2007. He was appointed as executive director of the UURG Corporation Limited (stock code: 8192), a company listed on the GEM, in September 2007 and resigned in August 2008. He is now the directors of Global Solution Engineering (HK) Limited and Ally Champ Limited, which are the subsidiaries of UURG Corporation Limited in which Mr. Pong is a substantial shareholder.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yip Tai Him

Mr. Yip Tai Him, aged 39, has been appointed as an independent non-executive director of the Company since April 2009. He is a practising accountant in Hong Kong and an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr. Yip has about 16 years of experience in accounting, auditing and financial management. He is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Wing Lee Holdings Limited (stock code: 876), China Cyber Port (International) Company Limited (stock code: 8206), Vinco Financial Group Limited (stock code: 8340), China Star Film Group Limited (stock code: 8172) and GCL-Poly Energy Holdings Limited (stock code: 3800). Mr. Yip was also the independent non-executive director of UURG Corporation Limited (stock code: 8192) during the period from March 2008 to January 2010.

Mr. Ng Chi Ming

Mr. Ng Chi Ming, aged 66, has been appointed as an independent non-executive director of the Company since September 2009. He is an Election Committee Member for the HKSAR Chief Executive. Mr. Ng is also an independent non-executive director of Build King Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0240). Mr. Ng has over 30 years of experience in the banking industry. Mr. Ng served as the chief executive officer of the former First Pacific Bank in Hong Kong. He was also the executive director and chief executive officer of ENM Holdings Limited (stock code: 0128) during the period from March 2001 to June 2009.

Biographical Details of Directors and Senior Management

Mr. Lung Hung Cheuk

Mr. Lung Hung Cheuk, aged 63, has been appointed as an independent non-executive director of the Company since September 2009. Mr. Lung is a retired chief superintendent of the Hong Kong Police Force (the "Hong Kong Police"). He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and the chairman of the Superintendents' Association (the "SPA") of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from superintendents up to and including the commissioner of the Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr. Lung currently acts as an independent non-executive director of Richfield Group Holdings Limited (stock code: 8136). He was the independent non-executive director of UURG Corporation Limited (stock code: 8192) during the period from September 2007 to January 2010.

SENIOR MANAGEMENT

Ms. Chan Che Ching, aged 40, is the Chief Executive Officer and Head of Sales of the two merged subsidiaries — iOne FPL and iOne (Regional) FPL. She is responsible for setting governance principles, developing strategic planning and making management decisions of iOne FPL. In addition, she leads and supervises the high performance sales team to meet the aggressively developing financial printing market. Ms. Chan has over 14 years of experience in the financial printing industry. She joined the Group in mid-2000.

Ms. Shum Tsz Ying, Vien, aged 37, is the General Manager and 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 12 years of experience in commercial, financial and legal translation. She joined the Group in June 2001.

Mr. Ho Ming Fai, aged 50, is the financial controller of the Company. Mr. Ho possesses more than 26 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 annual report and the audited financial statements of the Company for the year ended 31 December 2009.

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 2009 are set out in the consolidated statement of comprehensive income on page 28 of this report. The Board recommends the payment of a final dividend of HK0.11 cent each per ordinary share, totaling HK$10,120,000 for the year ended 31 December 2009 (2008: Nil).

CLOSURE OF REGISTER OF MEMBERS

The registers of the Company will be closed from Monday, 24 May 2010 to Monday, 31 May 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend for the 12 months ended 31 December 2009 and to attend the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 20 May 2010.

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 was HK$79,963,000 at 31 December 2009 (2008: HK$29,000).

5 YEAR SUMMARY

A summary of the Group's result for each of the five years ended 31 December 2009 and the Group's assets and liabilities as at 31 December 2005, 2006, 2007, 2008 and 2009 is set out on page 60 of this report.

Report of the Directors

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:

Lee Wing Yin (executive director)	(appointed on 18 September 2009)
(Chairman)	(appointed on 1 March 2010)
Lau Wai Shu (executive director)	(appointed on 18 September 2009)
(managing director)	(appointed on 1 March 2010)
Ng Wing Mee, Denise (executive director and Chairman)	(resigned on 18 September 2009)
Chiu Hok Yu (executive director and managing director)	(resigned on 1 March 2010)

Independent non-executive Directors:

Yip Tai Him	(appointed on 8 April 2009)
Ng Chi Ming	(appointed on 18 September 2009)
Lung Hung Cheuk	(appointed on 18 September 2009)
Leung Pak Keung	(resigned on 31 May 2009)
Tsang Wing Yee	(resigned on 18 September 2009)
Tse Chi Ming	(resigned on 18 September 2009)

In accordance with the Bye-laws of the Company, Mr. Lee Wing Yin, Mr. Lau Wai Shu, Mr. Ng Chi Ming and Mr. Lung Hung Cheuk so appointed by the Board shall hold office only until the next following annual general meeting of the Company and Mr. Yip Tai Him will retire from office by rotation. All of them, being eligible, will offer themselves for re-election at the annual general meeting.

On 18 September 2009, the Company entered into service contracts with Mr. Lee and Mr. Lau respectively pursuant to which each of Mr. Lee and Mr. Lau was appointed as an executive director for an initial period of 12 months which shall be renewable for a further period of 12 months upon expiration on 17 September 2010. Mr. Lau and Mr. Lee are entitled to a fixed remuneration of HK$57,500 per month plus a year-end discretionary bonus and HK$5,000 per month respectively.

Mr. Yip Tai Him, Mr. Ng Chi Ming and Mr. Lung Hung Cheuk, all independent non-executive directors of the Company, have each entered into a letter of appointment with the Company for a term of one year commencing from 8 April 2009, 18 September 2009 and 18 September 2009 respectively. Their appointments are subject to retirement by rotation and/or re-election at the Company's annual general meetings at least once every three years in accordance with the Bye-laws of the Company.

The remuneration of the executive directors and the directors' fee of the independent non-executive directors are mutually agreed between the Board and each of executive directors and independent non-executive directors with reference to the prevailing market conditions and determined by the Board based on their anticipated effort and expertise to be exercised by each of them on the Company's affairs. Such emoluments are subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

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 is 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 11 to 12 of this report.

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

As at 31 December 2009, 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 (HK$0.00025 after Share Subdivision) of the Company

Name of Directors	**Capacity**	**Number of shares held** (before Share Subdivision)	**Number of shares held** (after Share Subdivision)	**Approximate percentage of interested shares to the issued shares capital of the Company** (%)
Lee Wing Yin	Beneficial ownership	16,000	640,000	0.01
Lau Wai Shu	Beneficial ownership	50,000	2,000,000	0.02

Saved as disclosed above, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to 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 or Listed Companies contained in the Listing Rules.

Report of the Directors

INTEREST OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2009, 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 (HK$0.00025 after Share Subdivision) each of the Company

Name of Substantial Shareholders	Capacity/ Nature of interest	Number of shares held (before Share Subdivision)	Number of shares held (after Share Subdivision)	Approximate percentage of interested shares to the issued shares capital of the Company (%)
Mr. Pong	Beneficial ownership	172,000,000	6,880,000,000	74.78
Tung Ching Yee, Helena (Note 1)	Interest of Spouse	172,000,000	6,880,000,000	74.78
Profit Allied Limited (Note 2)	Controlled corporation	142,800,000	5,712,000,000	62.09
Richfield Group Holdings Limited (Note 3)	Controlled corporation	10,000,000	400,000,000	4.35
Virtue Partner Group Limited (Note 4)	Controlled corporation	10,000,000	400,000,000	4.35

Notes:

1. Ms. Tung Ching Yee, Helena is the spouse of Mr. Pong who beneficially owns 74.78% of the Company.

2. Profit Allied Limited is beneficially owned as to 100% by Mr. Pong. Therefore, it is deemed to be interested in the shares of which Mr. Pong is deemed to be interested in for the purpose of the SFO.

3. Richfield Group Holdings Limited is beneficially owned as to about 44.01% by Mr. Pong.

4. Richfield Group Holdings Limited is held as to about 31.99% by Virtue Partner Group Limited which is 100% wholly owned by Mr. Pong.

Save as disclosed above, the register required to be kept under section 336 of the SFO shows that as at 31 December 2009, 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.

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 2009.

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	7.5%
– five largest customers	19.8%

Cost of services provided

– the largest subcontractor	19.0%
– five largest subcontractors	45.2%

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$10.9 million (2008: approximately HK$16 million) equivalent to approximately 9.3% (2008: approximately 12.3%) of total cost of services provided. Mr. Ip Mo Leung, Gary (spouse of Ms. Ng Wing Mee, Denise, the former executive director of the Company) 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 International Ltd ("Brilliant Eagle"), one of the previous 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. Pursuant to Rule 14A.11 of the Listing Rule provided that Ms. Ng and her associate were a connected person with the Company as she was a director of the Company within the preceding 12 months.

Report of the Directors

During the year under review, iOne TCL, the Company's wholly-owned subsidiary has entered a lease agreement dated 8 October 2009 (the "Lease") with Flexwood Ltd ("Flexwood") in relation to the leasing of the premises at office Unit E, 6th Floor at No.9, Queen's Road Central, Hong Kong for a term of one year commencing from 15 October 2009. The Lessor is beneficially owned as to 100% by Mr. Pong, the controlling shareholder holding approximately 74.78% of the issued share capital of the Company at the prevailing time. As such, the Lessor is a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. Accordingly, the Lease constitutes a continuing connected transaction for the Company under the Listing Rules. The Lease on normal commercial terms where each or all of the applicable percentage ratios including assets ratio, revenue ratio and consideration ratio are on annual basis less than 2.5%, in accordance with Rule 14A.34(1) of the Listing Rules, the Lease is only subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempted from the independent Shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

The above two 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 for transactions with Sing Kee are set at HK$31 million and HK$34 million for the year ended 31 December 2009 and year ending 31 December 2010 respectively. The annual caps for transactions with Flexwood are set about HK$0.3 million and HK$0.9 million for the year ended 31 December 2009 and year ending 31 December 2010 respectively.

The independent auditor of the Company is engaged to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. Based on the works performed, the independent auditor reported that the two continuing connected transactions have been approved by the Board of the Company, entered into in accordance with the terms of the relevant agreements and the amounts have not exceeded the relevant cap amounts.

The independent non-executive directors have reviewed both of two continuing connected transactions and the letter of comfort in regards to continuing connected transactions from the auditor and confirmed that both 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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year under review.

SUFFICIENCY OF PUBLIC FLOAT

Immediately after the close of the Mandatory Unconditional Cash Offer on 18 September 2009, Profit Allied Limited (the "Offeror") and parties acting in concert with it were interested in approximately 78.32% of the issued share capital of the Company. Accordingly, only 49,874,000 shares, representing approximately 21.68% of the issued share capital of the Company, were held by the public. The Company was informed by the Offeror that it has placed down 8,000,000 shares to independent placees through a placing agent (the "Placing") on 21 September 2009, and the Placing was unconditional and completed on 23 September 2009. After completion of the Placing, a total of 57,874,000 shares representing approximately 25.15% of the issued share capital of the Company are held by public Shareholders. As a result, the minimum public float of 25% as prescribed under the Listing Rules has been restored.

Saved as disclosed above, the Company has maintained a sufficient public float under the Listing Rules during the year under review.

CORPORATE GOVERNANCE

Report on the Company's corporate governance are set out on pages 21 to 25 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") during the year under review.

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 during the year under review 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 under review.

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.

Report of the Directors

DONATIONS

During the year, the Group made charitable donation amounting to HK$5,000.

AUDIT COMMITTEE

The Group established an audit committee which consists of three independent non-executive directors, namely Mr. Yip Tai Him, Ng Chi Ming and Lung Hung Cheuk. Mr. Yip Tai Him 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 2009.

SUBSEQUENT EVENTS

Pursuant to an ordinary resolution passed at a general meeting of the Company on 11 January 2010, each issued share of the Company of HK$0.01 was subdivided into 40 shares of HK$0.00025 each, resulting in the number of shares of the Company in issue of 9,200,000,000 on 12 January 2010.

AUDITOR

BDO McCabe Lo Limited has changed its name to BDO Limited. Accordingly, the auditor's report is now signed under the new name. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint the auditor, BDO Limited as auditor of the company.

On behalf of the Board

Lee Wing Yin
Chairman

Hong Kong, 30 March 2010

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 the Code during the year under review. 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 members for the year ended 31 December 2009 were:

Executive Director

Ng Wing Mee Denise	(resigned on 18 September 2009)
Chiu Hok Yu	(resigned on 1 March 2010)
Lee Wing Yin	(appointed on 18 September 2009)
Lau Wai Shu	(appointed on 18 September 2009)

Independent non-executive Director

Leung Pak Keung	(resigned on 31 May 2009)
Tse Chi Ming	(resigned on 18 September 2009)
Tsang Wing Yee	(resigned on 18 September 2009)
Yip Tai Him	(appointed on 8 April 2009)
Ng Chi Ming	(appointed on 18 September 2009)
Lung Hung Cheuk	(appointed on 18 September 2009)

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

Mr. Lee Wing Yin who is an executive director of the Company has been appointed as the Chairman on 1 March 2010. He is responsible for providing advice for the overall management and strategic development, and overseeing the operation of the Board. The other executive director, Mr. Lau Wai Shu, effective on the same day 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.

Corporate Governance Report

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 Mr. Yip Tai Him, Mr. Ng Chi Ming and Mr. Lung Hung Cheuk with the fixed term of appointment for one year. Biographical details of the independent non-executive directors are set out on pages 11 to 12 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.

MEETING

Regular Board meeting shall be held at least four times a year. Special meetings of the Board will be convened whenever necessary. The Board convened a total of five meetings for the year ended 31 December 2009.

Details of the attendance of the meetings of the Board were as follows:

Members	**Attendance**
Ng Wing Mee Denise (resigned on 18 September 2009)	5/5
Chiu Hok Yiu (resigned on 1 March 2010)	5/5
Lee Wing Yin (appointed on 18 September 2009)	0/0
Lau Wai Shu (appointed on 18 September 2009)	0/0
Leung Pak Keung (resigned on 31 May 2009)	2/2
Tsang Wing Yee (resigned on 18 September 2009)	4/5
Tse Chi Ming (resigned on 18 September 2009)	5/5
Yip Tai Him (appointed on 8 April 2009)	4/5
Lung Hung Cheuk (appointed on 18 September 2009)	0/0
Ng Chi Ming (appointed on 18 September 2009)	0/0

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. 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 for the year under review. 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 Mr. Yip Tai Him, Mr. Lung Hung Cheuk and Mr. Ng Chi Ming. Mr. Yip Tai Him 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.

Details of the attendance of the meeting of the Audit Committee were as follows:

Member	**Attendance**
Leung Pak Keung (resigned on 31 May 2009)	1/1
Tsang Wing Yee (resigned on 18 September 2009)	2/2
Tse Chi Ming (resigned on 18 September 2009)	2/2
Yip Tai Him (appointed on 8 April 2009)	1/1
Lung Hung Cheuk (appointed on 18 September 2009)	0/0
Ng Chi Ming (appointed on 18 September 2009)	0/0

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.

The Audit Committee had reviewed and recommended the Company's interim results announcement and interim report for the six months ended 30 June 2009 and the annual results announcement and annual report for the year ended 31 December 2009 to the Board for approval. The Audit Committee also reviewed and concluded with satisfaction to the effectiveness of internal control system of the Group.

Corporate Governance Report

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. Lung Hung Cheuk, Mr. Ng Chi Ming and Mr. Yip Tai Him. Mr. Lung Hung Cheuk 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 2009, the Remuneration Committee held two meetings to approve the terms of executive directors' service contract, review the remuneration policies of the Group and make recommendations to the Board.

Details of the attendance of the meeting of the Remuneration Committee were as follows:

Member	Attendance
Leung Pak Keung (resigned on 31 May 2009)	1/1
Tsang Wing Yee (resigned on 18 September 2009)	2/2
Tse Chi Ming (resigned on 18 September 2009)	2/2
Yip Tai Him (appointed on 8 April 2009)	1/1
Lung Hung Cheuk (appointed on 18 September 2009)	0/0
Ng Chi Ming (appointed on 18 September 2009)	0/0

NOMINATION COMMITTEE

The Group established a Nomination Committee which consists of the three independent non-executive directors, namely Mr. Ng Chi Ming, Mr. Yip Tai Him and Mr. Lung Hung Cheuk. Mr. Ng 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.

Details of the attendance of the meeting of the Nomination Committee were as follows:

Member	Attendance
Leung Pak Keung (resigned on 31 May 2009)	1/1
Tsang Wing Yee (resigned on 18 September 2009)	2/2
Tse Chi Ming (resigned on 18 September 2009)	2/2
Yip Tai Him (appointed on 8 April 2009)	1/1
Lung Hung Cheuk (appointed on 18 September 2009)	0/0
Ng Chi Ming (appointed on 18 September 2009)	0/0

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 to 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. Moreover, any director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then eligible for re-election at that meeting.

The Nomination Committee recommended that Mr. Lee Wing Yin, Mr. Lau Wai Shu, Mr. Ng Chi Ming, Mr. Lung Hung Cheuk and Mr. Yip Tai Him who retire at the forthcoming annual general meeting are eligible to offer themselves for re-election.

AUDITOR'S REMUNERATION

BDO Limited is the auditor of the Company. The audit fee of the Group for the year ended 31 December 2009 was approximately HK$425,000. The non-audit service fee for tax related services and other review services for the year ended 31 December 2009 was about HK$157,000.

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 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 2009, the Audit Committee concluded satisfaction to the effectiveness of the Company's internal control system after review.

INVESTORS RELATIONS

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

BDO Limited
Certified Public Accountants
德豪會計師事務所有限公司

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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") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 59, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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.

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 2009 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 the Hong Kong Companies Ordinance.

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

Hong Kong, 30 March 2010

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Turnover	6	**241,477**	235,110
Cost of services provided		**(116,598)**	(130,270)
Gross profit		**124,879**	104,840
Other income and gains	8	**403**	2,270
Selling and distribution expenses		**(21,502)**	(23,345)
Administrative expenses		**(38,598)**	(37,187)
Profit before income tax expense	9	**65,182**	46,578
Income tax expense	12	**(10,980)**	(7,611)
Profit and total comprehensive income for the year		**54,202**	38,967
Profit and total comprehensive income attributable to:			
– Owners of the Company		**54,202**	38,903
– Minority interests		**–**	64
		54,202	38,967
Earnings per share			(restated)
– Basic and diluted	14	**HK0.59 cent**	HK0.45 cent

Consolidated Statement of Financial Position

As at 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	15	**6,818**	7,264
Deferred tax assets	24	**–**	29
		6,818	7,293
Current assets			
Work in progress		**1,432**	2,790
Trade receivables	17	**71,278**	34,769
Other receivables, deposits and prepayments		**6,106**	6,503
Amount due from a related company	18	**23**	–
Income tax recoverable		**33**	3,573
Pledged bank deposit	19	**150**	150
Cash and cash equivalents		**129,391**	97,600
		208,413	145,385
Current liabilities			
Trade payables	20	**21,362**	10,087
Other payables and accruals		**21,094**	26,837
Amount due to a related company	21	**–**	1,263
Deferred income	23	**604**	1,271
Income tax payable		**5,380**	–
		48,440	39,458
Net current assets		**159,973**	105,927
Total assets less current liabilities		**166,791**	113,220
Non-current liabilities			
Deferred income	23	**–**	403
Deferred tax liabilities	24	**502**	730
		502	1,133
Net assets		**166,289**	112,087
Capital and reserves			
Share capital	25	**2,300**	2,300
Reserves		**163,989**	109,787
Total equity		**166,289**	112,087

On behalf of the Board

Lee Wing Yin	**Lau Wai Shu**
Chairman	Director

Statement of Financial Position

As at 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	15	**358**	415
Investments in subsidiaries	16	**69,902**	69,902
Deferred tax assets	24	**–**	29
		70,260	70,346
Current assets			
Other receivables, deposits and prepayments		**1,715**	2,093
Amounts due from subsidiaries	22	**88,278**	4,381
Income tax recoverable		**33**	–
Cash and cash equivalents		**74,362**	48,118
		164,388	54,592
Current liabilities			
Other payables and accruals		**502**	497
Amount due to a subsidiary	22	**41,921**	11,972
Deferred income	23	**604**	379
		43,027	12,848
Net current assets		**121,361**	41,744
Total assets less current liabilities		**191,621**	112,090
Non-current liabilities			
Deferred income	23	**–**	403
Net assets		**191,621**	111,687
Capital and reserves			
Share capital	25	**2,300**	2,300
Reserves	27	**189,321**	109,387
Total equity		**191,621**	111,687

On behalf of the Board

Lee Wing Yin
Chairman

Lau Wai Shu
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Share capital HK$'000 (note a)	Share premium HK$'000 (note b)	Special reserve HK$'000 (note c)	Retained profits HK$'000	Equity attributable to owners of the Company HK$'000	Minority interests HK$'000	Total HK$'000
At 1 January 2008	–	4,751	–	31,950	36,701	505	37,206
Total comprehensive income for the year	–	–	–	38,903	38,903	64	38,967
Acquisition of minority interests (note d)	–	–	–	(5,431)	(5,431)	(569)	(6,000)
Arising from Reorganisation (note 3(a))	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 and 1 January 2009	2,300	39,914	4,451	65,422	112,087	–	112,087
Total comprehensive income for the year	–	–	–	54,202	54,202	–	54,202
At 31 December 2009	**2,300**	**39,914**	**4,451**	**119,624**	**166,289**	**–**	**166,289**

Notes:

(a) The share capital at 1 January 2008 represented the nominal value of the issued share capital of Miracle View Group Ltd ("Miracle View"). The share capital of Miracle View has no par value, the consideration of US$100 (equivalent to HK$780) received from the issuance of share capital of Miracle View was recognised as share premium.

(b) Share premium represents amount subscribed for share capital in excess of nominal value.

(c) 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.

(d) During the year ended 31 December 2008, the Group acquired the remaining 5% equity interests in a subsidiary, Rich Partners Holdings Limited ("Rich Partners"), from a minority shareholder, who was also a senior management personnel of the Group, at a cash consideration of HK$6,000,000. The difference between the consideration paid and the minority interests acquired was recognised in retained profits.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	2009 HK$'000	2008 HK$'000
Cash flows from operating activities		
Profit before income tax expense	**65,182**	46,578
Adjustments for:		
Interest income	**(237)**	(1,273)
Depreciation of property, plant and equipment	**2,082**	2,066
Loss on disposal of property, plant and equipment	**329**	118
Bad debts written off	**218**	–
Operating profit before working capital changes	**67,574**	47,489
Decrease/(increase) in work in progress	**1,358**	(222)
(Increase)/decrease in trade receivables	**(36,727)**	37,087
Decrease in other receivables, deposits and prepayments	**397**	406
Increase in amount due from a related company	**(23)**	–
Increase in trade payables	**11,275**	1,116
Decrease in other payables and accruals	**(5,743)**	(19,497)
Decrease in amount due to a related company	**(1,263)**	(8,941)
Decrease in deferred income	**(1,070)**	(189)
Cash generated from operations	**35,778**	57,249
Hong Kong Profits Tax paid	**(2,259)**	(24,542)
Net cash generated from operating activities	**33,519**	32,707
Cash flows from investing activities		
Interest received	**237**	1,273
Purchase of property, plant and equipment	**(1,984)**	(3,167)
Proceeds from disposal of property, plant and equipment	**19**	5
Decrease in pledged bank deposit	**–**	350
Decrease in fixed deposits with original maturities of over three months	**–**	7,307
Acquisition of minority interests	**–**	(6,000)
Net cash used in investing activities	**(1,728)**	(232)
Cash flows from financing activities		
Dividends paid by subsidiaries to their then shareholders prior to the Reorganisation	**–**	(74,705)
Proceeds from issue of new shares	**–**	48,000
Expenses paid in connection with the issue of new shares	**–**	(6,086)
Net cash used in financing activities	**–**	(32,791)
Net increase/(decrease) in cash and cash equivalents	**31,791**	(316)
Cash and cash equivalents at beginning of the year	**97,600**	97,916
Cash and cash equivalents at end of the year	**129,391**	97,600

Notes to the Financial Statements

31 December 2009

1. GENERAL

iOne Holdings Limited (the "Company") is a limited liability 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 Units 1204-6, 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 Profit Allied Limited (incorporated in the British Virgin Islands ("BVI")).

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

(a) The Group has adopted the following new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the current accounting period.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers

The adoption of the above new/revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods, except for the following changes. All relevant changes in accounting policies and disclosures have been made in accordance with the provisions of the respective standards. Comparative figures have been restated or included in these financial statements in order to achieve a consistent presentation. The statements of financial position, previously known as balance sheets, at the beginning of the year of 2008 have not been presented as there were no changes to the originally published statements.

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

(a) (Continued)

HKAS 1 (Revised), Presentation of Financial Statements

The revised standard affects certain disclosures of financial statements. Under the revised standard, the Income Statement, the Balance Sheet and the Cash Flow Statement are renamed as the "Statement of Comprehensive Income", the "Statement of Financial Position" and the "Statement of Cash Flows" respectively. All income and expenses arising from transactions with non-owners are presented under the "Statement of Comprehensive Income"; while the owners' changes in equity are presented in the "Statement of Changes in Equity".

HKFRS 8, Operating Segments

HKFRS 8 replaces HKAS 14 "Segment Reporting", and requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance. As the business segment reported by the Group in accordance with the requirements of HKAS 14 is the same as the operating segment provided to the chief operating decision-maker as required by HKFRS 8, there is no change to the operating segment and the relevant segment information on the adoption of HKFRS 8.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
Amendments to HKAS 32	Classification of Rights Issues[4]
Amendment to HKAS 39	Eligible Hedged Items[1]
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions[3]
Amendment to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirements[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKFRS 3 (Revised)	Business Combinations[1]
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[5]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKFRS 9	Financial Instruments[7]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2010
[4] Effective for annual periods beginning on or after 1 February 2010
[5] Effective for annual periods beginning on or after 1 July 2010
[6] Effective for annual periods beginning on or after 1 January 2011
[7] Effective for annual periods beginning on or after 1 January 2013

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

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

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions.

The Group is in the process of making an assessment of the potential impact of other new/revised HKFRSs and the directors so far concluded that the application of the other new/revised HKFRSs 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 for the year ended 31 December 2008 had 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") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(c) Basis of measurement

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

(d) 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. SIGNIFICANT 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.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

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

Minority interests represent the portion of profit or loss and net assets of subsidiaries attributable to equity interests that are not owned directly or indirectly through subsidiaries, by the Company. Minority interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss for the year between minority interests and the owners 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 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 recognised in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recognised in equity.

Common control combinations

The consolidated financial statements for the year ended 31 December 2008 incorporated the financial statements of the combining entities in which the common control combination occurred 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 were consolidated using the existing book values from the controlling parties' perspective. No amount was 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.

The consolidated statement of comprehensive income included 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 was a shorter period, regardless of the date of the common control combination.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 statement of financial position, 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 and 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 recognised as an expense in profit or loss 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 the end of each reporting period. 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 profit or loss.

(d) Leases

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

The Group as lessee

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial instruments

(i) Financial assets

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

Loans and receivables

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

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- 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.

For loans and receivables

An impairment loss is recognised in profit or loss 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Financial instruments (Continued)

(iii) Financial liabilities at amortised cost

Financial liabilities at amortised cost, including trade payables, other payables and accruals, and other monetary liabilities, are initially recognised at fair value, net of directly attributable transaction costs incurred and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

(iv) Effective interest method

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

(v) Equity instruments

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

(vi) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for 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 end of reporting period.

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

(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 end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

(j) Employee benefits

(i) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of non-financial assets

At the end of each reporting period, 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.

(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.

5. KEY SOURCE OF ESTIMATION UNCERTAINTY AND JUDGMENT

In addition to information disclosed elsewhere in these financial statements, other key source of estimation uncertainty that has a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year is as follows:

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.

6. TURNOVER

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

	2009 HK$'000	2008 HK$'000
Financial printing services:		
— Printing and translation	**212,352**	208,081
— Advertising	**29,125**	27,029
	241,477	235,110

7. SEGMENT INFORMATION – YEARS ENDED 31 DECEMBER 2008 AND 2009

The chief operating decision-maker of the Group has been identified as the executive directors of the Company. The executive directors regularly review revenue and operating result derived from provision of financial printing services on an aggregated basis and consider them as one single operating segment.

The Group principally operates in Hong Kong with revenue and profits derived from its operations in Hong Kong. An analysis of non-current assets other than financial instruments and deferred tax assets are not presented as they are located in Hong Kong.

None of the Group's customers had individually accounted for over 10% of the Group's revenue for the years.

8. OTHER INCOME AND GAINS

	2009 HK$'000	2008 HK$'000
Bank interest income	**237**	1,273
Exchange gains, net	**–**	3
Others	**166**	994
	403	2,270

9. PROFIT BEFORE INCOME TAX EXPENSE

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

	2009 HK$'000	2008 HK$'000
Depreciation of property, plant and equipment (note 15)	**2,082**	2,066
Auditor's remuneration	**425**	520
Loss on disposal of property, plant and equipment	**329**	118
Operating lease rentals for rented office premises and equipment	**14,360**	10,053
Staff costs (note 10)	**65,421**	71,509
Bad debts written off (note 17)	**218**	–

10. STAFF COSTS

	2009 HK$'000	2008 HK$'000
Staff costs (including directors) comprise:		
Salaries, commissions, bonuses and other allowances	**63,808**	69,933
Retirement benefits scheme contributions	**1,613**	1,576
	65,421	71,509

11. 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:

	2009 HK$'000	2008 HK$'000
Fees	**514**	600
Salaries, commissions and other allowances	**2,865**	3,052
Bonuses (note)	**2,411**	8,928
Retirement benefits scheme contributions	**26**	26
	5,816	12,606

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

(a) Directors' emoluments (Continued)

The emoluments of each of the directors during the years ended 31 December 2009 and 2008 are 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 2009					
Executive directors					
Lau Wai Shu (appointed on 18 September 2009)	–	197	63	4	264
Lee Wing Yin (appointed on 18 September 2009)	–	17	–	1	18
Chiu Hok Yu*	–	1,440	2,348	12	3,800
Ng Wing Mee, Denise (resigned on 18 September 2009)	–	1,211	–	9	1,220
Independent non- executive directors					
Lung Hung Cheuk (appointed on 18 September 2009)	16	–	–	–	16
Ng Chi Ming (appointed on 18 September 2009)	16	–	–	–	16
Yip Tai Him (appointed on 8 April 2009)	38	–	–	–	38
Leung Pak Keung (resigned on 31 May 2009)	100	–	–	–	100
Tsang Wing Yee (resigned on 18 September 2009)	172	–	–	–	172
Tse Chi Ming (resigned on 18 September 2009)	172	–	–	–	172
	514	2,865	2,411	26	5,816

* Resigned on 1 March 2010

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

(a) Directors' emoluments (Continued)

	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

Note: The bonuses are determined by reference to the financial performance of the Group and the performance of the individual director for each year.

(b) Five highest-paid employees

Of the five employees with the highest emoluments in the Group, one (2008: two) was director of the Company whose emoluments are included in note 11(a) above. The emoluments of the remaining four (2008: three) employees were as follows:

	2009 HK$'000	2008 HK$'000
Salaries, commissions and other allowances	**12,472**	9,681
Bonuses (note)	**4,665**	4,791
Retirement benefits scheme contributions	**48**	36
	17,185	14,508

Note: The bonuses are determined by reference to the financial performance of the Group and the performance of the individual employee for each year.

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

(b) Five highest-paid employees (Continued)

Their emoluments were within the following bands:

	2009 No. of employees	2008 No. of employees
HK$		
1,500,001 – 2,000,000	**1**	–
2,000,001 – 2,500,000	**1**	–
3,000,001 – 3,500,000	**–**	1
4,500,001 – 5,000,000	**1**	–
5,000,001 – 5,500,000	**–**	1
6,000,001 – 6,500,000	**–**	1
8,000,001 – 8,500,000	**1**	–

No emoluments have been paid by the Group to any of the directors or the five highest paid employees as an inducement to join or upon joining the Group or as a compensation for loss of office. The director, Ng Wing Mee, Denise, has waived her bonuses for the year ended 31 December 2009 amounted to HK$1,975,000 (2008: nil).

12. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2009 HK$'000	2008 HK$'000
Current tax – Hong Kong Profits Tax		
– provision for the year	**11,144**	7,302
– under-provision in respect of prior years	**35**	114
	11,179	7,416
Deferred tax (note 24)		
– current year	**(199)**	224
– attributable to decrease in tax rate	**–**	(29)
	(199)	195
Income tax expense	**10,980**	7,611

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the year.

12. INCOME TAX EXPENSE (Continued)

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

	2009 HK$'000	2008 HK$'000
Profit before income tax expense	**65,182**	46,578
Tax calculated at the Hong Kong Profits Tax rate of 16.5% (2008: 16.5%)	**10,755**	7,685
Tax effect of income not subject to tax	**(29)**	(330)
Tax effect of expenses not deductible for tax purpose	**187**	142
Under-provision in respect of prior years	**35**	114
Others	**32**	–
Income tax expense	**10,980**	7,611

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company includes a loss of HK$8,148,000 (2008: 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:

	2009 HK$'000	2008 HK$'000
Loss which has been dealt with in the Company's financial statements	**(8,148)**	(5,754)
Dividend from a subsidiary	**80,000**	–
Management fee from subsidiaries	**8,307**	5,835
Financial printing and advertising charges to subsidiaries	**(225)**	(52)
The Company's profit for the year (note 27)	**79,934**	29

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the year of HK$54,202,000 (2008: HK$38,903,000) and the weighted average of 9,200,000,000 (2008: 8,570,491,800) shares in issue during the year, as adjusted to reflect the share subdivision subsequent to the end of the reporting period (note 32).

The 8,000,000,000 shares, as adjusted to reflect the share subdivision subsequent to the end of the reporting period (note 32), 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 the year ended 31 December 2008.

Diluted earnings per share is the same as the basic earnings per share as there are no potential dilutive ordinary shares outstanding during the years ended 31 December 2008 and 2009.

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 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 and 1 January 2009	4,879	6,477	1,918	13,274
Additions	1,511	323	150	1,984
Disposals	(792)	(253)	(527)	(1,572)
At 31 December 2009	5,598	6,547	1,541	13,686
Accumulated depreciation				
At 1 January 2008	1,634	1,860	765	4,259
Provided for the year (note 9)	930	803	333	2,066
Eliminated on disposals	(65)	(242)	(8)	(315)
At 31 December 2008 and 1 January 2009	2,499	2,421	1,090	6,010
Provided for the year (note 9)	728	1,104	250	2,082
Eliminated on disposals	(667)	(199)	(358)	(1,224)
At 31 December 2009	2,560	3,326	982	6,868
Net book value				
At 31 December 2009	3,038	3,221	559	6,818
At 31 December 2008	2,380	4,056	828	7,264

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 and 1 January 2009	267	51	98	416
Additions	–	19	10	29
At 31 December 2009	267	70	108	445
Accumulated depreciation				
Provided for the period and at 31 December 2008 and 1 January 2009	1	–	–	1
Provided for the year	53	12	21	86
At 31 December 2009	54	12	21	87
Net book value				
At 31 December 2009	213	58	87	358
At 31 December 2008	266	51	98	415

16. INVESTMENTS IN SUBSIDIARIES

	2009 HK$'000	2008 HK$'000
Unlisted shares, at cost	**69,902**	69,902

Notes to the Financial Statements

31 December 2009

16. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries at the end of reporting period 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 Financial Press Limited	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%	Provision of translation services

None of the subsidiaries of the Company had issued any debt securities at 31 December 2009.

17. TRADE RECEIVABLES

The Group generally allows a credit period of 30 days to its customers. The ageing analysis of trade receivables based on the invoice date at the end of reporting period is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
0 – 90 days	**65,025**	21,976
91 – 180 days	**4,918**	5,119
181 – 365 days	**1,319**	7,672
Over 365 days	**16**	2
	71,278	34,769

An amount of HK$218,000 was written off during the year (2008: nil) (note 9) as the amount was irrecoverable.

The ageing analysis of trade receivables which are past due but not impaired is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
1 – 90 days past due	**33,690**	16,881
91 – 180 days past due	**3,209**	2,626
181 – 365 days past due	**946**	7,592
Over 365 days past due	**3**	2
	37,848	27,101

For receivables which are past due but not impaired, management considers there has not been a significant change in credit quality of these balances and the amounts are still fully recoverable. For the remaining trade receivables that are neither past due nor impaired, management believes that the amounts are recoverable with reference to their historical payment records and business relationship. The Group does not hold any collateral over these balances.

18. AMOUNT DUE FROM A RELATED COMPANY

A controlling shareholder of the Company is also director and controlling shareholder of the related company.

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

19. PLEDGED BANK DEPOSIT

Pledged bank deposit represents deposit pledged to a bank to secure general banking facilities granted to the Group. At 31 December 2009, the pledged bank deposit carried interest at prevailing bank saving deposit rate (2008: fixed rate of 3% per annum).

20. TRADE PAYABLES

The Group normally receives credit terms of 30 days to 60 days from its suppliers. The ageing analysis of trade payables based on invoice date at the end of reporting period is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
0 – 90 days	**18,639**	8,267
91 – 180 days	**2,504**	1,572
181 – 365 days	**80**	162
Over 365 days	**139**	86
	21,362	10,087

21. AMOUNT DUE TO A RELATED COMPANY

The spouse of a director has beneficial interests in the related company. As the director has resigned as director of the Company during the year, the balance payable to that company at the end of reporting period was classified as trade payable.

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

The ageing analysis of the amount due to a related company based on invoice date at the end of reporting period is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
0 – 90 days	**–**	1,263

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 statement of comprehensive income over the lease terms on a straight-line basis.

24. DEFERRED TAX

Deferred tax recognised in the statements of financial position and movements 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 2008	506	–	506	–	–	–
Charge/(credit) to profit or loss (note 12)	282	(58)	224	29	(58)	(29)
Effect of change in tax rate (note 12)	(29)	–	(29)	–	–	–
At 31 December 2008 and 1 January 2009	759	(58)	701	29	(58)	(29)
(Credit)/charge to profit or loss (note 12)	(257)	58	(199)	(29)	58	29
At 31 December 2009	502	–	502	–	–	–

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

	Group		Company	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Deferred tax assets	**–**	(29)	**–**	(29)
Deferred tax liabilities	**502**	730	**–**	–
	502	701	**–**	(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, 1 January 2009 and 31 December 2009		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, 1 January 2009 and 31 December 2009		230,000,000	2,300

The amount of share capital shown on consolidated statement of changes in equity at 1 January 2008 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.

(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 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 the 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.

25. SHARE CAPITAL (Continued)

(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 capital and reserves of the Group. At 31 December 2009, 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 raising 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's 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 has been granted by the Company under the Share Option Scheme since its adoption and up to 31 December 2009.

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 and total comprehensive income for the period	–	–	29	29
Arising from Reorganisation (note 3(a))	–	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 and 1 January 2009	39,756	69,602	29	109,387
Profit and total comprehensive income for the year	–	–	79,934	79,934
At 31 December 2009	39,756	69,602	79,963	189,321

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. DIVIDEND

	Company 2009 HK$'000	2008 HK$'000
Final, proposed – HK$0.0011 (2008: nil) per share	**10,120**	–

At a meeting held on 30 March 2010, the directors of the Company recommended a final dividend of HK$0.0011 per share. The dividend per share amount is based on the enlarged share capital as a result of the subdivision of the Company's shares on 12 January 2010 (note 32).

The proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 December 2010.

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 end of reporting period, the Group and the Company were 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	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Not later than one year	**12,292**	14,556	**5,172**	4,872
Later than one year and not later than five years	**1,515**	13,486	**–**	5,168
	13,807	28,042	**5,172**	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:

	2009	2008
	HK$'000	HK$'000
Printing charges to a related company (note a)	**6,848**	16,009
Rental expenses to a related company (note b)	**250**	–
Rent and rates and building management fee prepaid to a related company (note b)	**114**	–
Rental deposit to a related company (note b)	**343**	–
Printing income from a related company (note b)	**212**	–
Listing expenses reimbursed by then shareholders	**–**	7,495

Notes:

(a) The spouse of a director has beneficial interests in the related company. The director has resigned as director of the Company during the year, and therefore, the amount disclosed for 2009 represented printing charges to the related company for the period from 1 January 2009 to the date of resignation of the director.

(b) A controlling shareholder of the Company is also director and controlling shareholder of the related company.

30. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

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

	2009	2008
	HK$'000	HK$'000
Short-term benefits	**19,396**	24,665
Post-employment benefits	**62**	62
	19,458	24,727

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

31. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Group's financial management policies and practices described below.

(a) 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 and other receivables, and amount due from a related company represent the Group's maximum exposure to credit risk in relation to financial assets. In order to minimise the credit risk, management monitors the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, 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. Management does not expect any counterparty to fail to meet its obligations.

(b) 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, including trade payables, other payables and accruals and amount due to a related company, mature in less than one year and most of them are repayable on demand.

(c) Interest rate risk

Excess cash of the Group is placed in bank deposits which are subject to changes in market interest rate. The Group has no significant interest-bearing liabilities and the Group's income and operating cash flows are substantially independent of changes in market interest rate.

31. FINANCIAL RISK MANAGEMENT (Continued)

(d) 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$, management does not expect any significant movements in the US$/HK$ exchange rate and considers the Group does not expose to significant currency risk.

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

(e) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

32. SUBSEQUENT EVENT

Pursuant to an ordinary resolution passed at a general meeting of the Company on 11 January 2010, each issued share of the Company of HK$0.01 was subdivided into 40 shares of HK$0.00025 each, resulting in the number of shares of the Company in issue of 9,200,000,000 on 12 January 2010.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2010.

Five Year Summary

	Year ended 31 December				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Turnover	**241,477**	235,110	370,064	199,087	116,947
Profit before income tax expense	**65,182**	46,578	109,617	57,252	29,869
Income tax expense	**(10,980)**	(7,611)	(20,171)	(9,154)	(5,430)
Profit and total comprehensive income for the year	**54,202**	38,967	89,446	48,098	24,439

	As at 31 December				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**215,231**	152,678	193,342	111,933	52,256
Total liabilities	**(48,942)**	(40,591)	(156,136)	(54,882)	(28,303)
Total equity	**166,289**	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 2005, 2006 and 2007 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.