

# iOne Holdings Limited

# 卓智控股有限公司\*

(incorporated in Bermuda with limited liability)

Stock code: 982

\* for identification purpose only



**iOne**  
*Financial Press Limited*

## INTERIM REPORT 2012

**商界展關懷**  
caring**company** 2011/12<sup>®</sup>  
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香港社會服務界協會頒發

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## Corporate Information

### Board of Directors

#### *Executive directors*

Mr. Lee Wing Yin (*Chairman*)

Mr. Lau Wai Shu (*Managing Director*)

#### *Independent non-executive directors*

Mr. Yip Tai Him

Mr. Lung Hung Cheuk

Mr. Ng Chi Ming

### Audit Committee

Mr. Yip Tai Him (*Chairman*)

Mr. Lung Hung Cheuk

Mr. Ng Chi Ming

### Remuneration Committee

Mr. Lung Hung Cheuk (*Chairman*)

Mr. Ng Chi Ming

Mr. Yip Tai Him

### Nomination Committee

Mr. Ng Chi Ming (*Chairman*)

Mr. Yip Tai Him

Mr. Lung Hung Cheuk

### Solicitors

lu, Lai & Li

### Auditor

BDO Limited

### Company Secretary

Mr. Lee Wing Yin FCCA, CPA

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

### Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### Bermuda Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (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

Mr. Lau Wai Shu

### Place of Listing

The Stock Exchange of Hong Kong Limited

### Stock Code

982

### Website Address

[www.ioneholdings.com](http://www.ioneholdings.com)

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Notes	Six months ended 30 June	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Turnover	4	73,174	112,648
Cost of services provided		(35,070)	(50,565)
Gross profit		38,104	62,083
Other income and gains	5	2,574	1,520
Selling and distribution expenses		(5,382)	(9,204)
Administrative expenses		(13,403)	(13,857)
Profit before income tax expense	6	21,893	40,542
Income tax expense	7	(3,451)	(6,530)
Profit for the period		18,442	34,012
Other comprehensive income			
Net fair value gain/(loss) on available-for-sale investments		1,113	(969)
Total comprehensive income for the period attributable to the owners of the Company		19,555	33,043
Earnings per share	9		
– Basic		HK0.20 cent	HK0.37 cent

## Condensed Consolidated Statement of Financial Position

At 30 June 2012

	Notes	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	3,084	3,656
Available-for-sale investments	11	91,603	42,382
		94,687	46,038
<b>Current assets</b>			
Work in progress		1,427	1,163
Trade receivables	12	56,188	29,823
Other receivables, deposits and prepayments		7,766	6,669
Amount due from a related company		30	198
Income tax recoverable		1,925	5,324
Cash and bank balances	13	129,215	178,363
		196,551	221,540
<b>Current liabilities</b>			
Trade payables	14	14,261	8,648
Other payables and accruals		19,307	21,064
Dividend payable		10,120	–
Amount due to a related company		258	367
Deferred income		917	611
Income tax payable		52	–
		44,915	30,690
<b>Net current assets</b>		151,636	190,850
<b>Total assets less current liabilities</b>		246,323	236,888
<b>Non-current liabilities</b>			
Deferred tax liabilities		107	107
<b>Net assets</b>		246,216	236,781
<b>Capital and reserves</b>			
Share capital	15	2,300	2,300
Reserves		243,916	234,481
<b>Total equity</b>		246,216	236,781

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Available-for-sale investments reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2012 (Audited)	2,300	39,914	4,451	(7,971)	198,087	236,781
Profit for the period	-	-	-	-	18,442	18,442
Other comprehensive income						
Net fair value gain on available-for-sale investments	-	-	-	1,113	-	1,113
Total comprehensive income for the period	-	-	-	1,113	18,442	19,555
2011 final dividend recognised as distributions	-	-	-	-	(10,120)	(10,120)
At 30 June 2012 (Unaudited)	2,300	39,914	4,451	(6,858)	206,409	246,216
At 1 January 2011 (Audited)	2,300	39,914	4,451	-	169,311	215,976
Profit for the period	-	-	-	-	34,012	34,012
Other comprehensive income						
Net fair value loss on available-for-sale investments	-	-	-	(969)	-	(969)
Total comprehensive income for the period	-	-	-	(969)	34,012	33,043
2010 final dividend recognised as distributions	-	-	-	-	(10,120)	(10,120)
At 30 June 2011 (Unaudited)	2,300	39,914	4,451	(969)	193,203	238,899

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Net cash (used in)/from operating activities	(3,202)	34,557
Net cash used in investing activities	(13,686)	(52,617)
Net cash used in financing activities	–	(10,120)
Net decrease in cash and cash equivalents	(16,888)	(28,180)
Cash and cash equivalents at beginning of period	103,923	152,371
Cash and cash equivalents at end of period <i>(note 13)</i>	87,035	124,191

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2012

### 1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### 2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those set out in the Group’s consolidated annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, a number of revised Hong Kong Financial Reporting Standards (“revised HKFRSs”) issued by the HKICPA.

The application of the revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle <sup>2</sup>
HKFRS 9	Financial Instruments <sup>4</sup>
HKFRS 10	Consolidated Financial Statements <sup>2</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>2</sup>
HKFRS 13	Fair Value Measurement <sup>2</sup>
HKAS 27 (2011)	Separate Financial Statements <sup>2</sup>
Amendments to HKAS 32 and HKFRS 7	Offsetting Financial Assets and Financial Liabilities <sup>3</sup>
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosure <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2013 and 2014, as appropriate

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2015

The directors of the Company anticipate that the application of these new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.



### 3. Segment Information

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.

No geographical information is presented as the Group's operations are located in Hong Kong.

### 4. Turnover

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

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Financial printing services:		
– Printing and translation	67,444	102,885
– Advertising	5,730	9,763
	<u>73,174</u>	<u>112,648</u>

### 5. Other Income and Gains

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Bank interest income	1,406	539
Interest income from corporate bonds	558	144
Dividend income	609	26
Exchange gains, net	–	790
Gain on disposal of financial asset at fair value through profit or loss	–	20
Sundry Income	1	1
	<u>2,574</u>	<u>1,520</u>

### 6. Profit Before Income Tax Expense

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

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Depreciation of property, plant and equipment	983	1,102
Loss on disposal of property, plant and equipment	–	43

## 7. Income Tax Expense

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Current tax		
– Hong Kong profits tax	3,451	6,530

## 8. Dividends

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2012 and 2011.

## 9. Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the period of HK\$18,442,000 (six months ended 30 June 2011: HK\$34,012,000) and 9,200,000,000 (six months ended 30 June 2011: 9,200,000,000) shares in issue during the period.

Diluted earnings per share is not presented as there are no potential dilutive ordinary shares outstanding during both periods.

## 10. Property, Plant and Equipment

During the period, the Group spent approximately HK\$411,000 (six months ended 30 June 2011: HK\$442,000) on acquisition of property, plant and equipment.

## 11. Available-for-sale investments

	30 June 2012 HK\$'000	31 December 2011 HK\$'000
	Unlisted equity investment, at cost	9,896
Listed corporate bonds, at fair value	46,111	9,469
Unlisted corporate bonds/bond fund, at fair value	14,809	2,825
Listed equity securities, at fair value	20,787	20,192
	91,603	42,382
	30 June 2012 HK\$'000	31 December 2011 HK\$'000
Movement of the carrying amount of available-for-sale investments during the period/year are as follows:		
At beginning of the period/year	42,382	9,896
Additions	48,108	40,457
Fair value gain/(loss), net	1,113	(7,971)
At end of the period/year	91,603	42,382

## 12. 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:

	30 June 2012 <i>HK\$'000</i>	31 December 2011 <i>HK\$'000</i>
0 – 90 days	40,555	21,250
91 – 180 days	11,549	6,847
181 – 270 days	2,907	870
271 – 365 days	1,118	420
Over 365 days	59	436
	<u>56,188</u>	<u>29,823</u>

## 13. Cash and Bank Balances

	30 June 2012 <i>HK\$'000</i>	31 December 2011 <i>HK\$'000</i>
Cash at bank and on hand	18,020	36,203
Fixed deposits with original maturities of three months or less	69,015	67,720
Fixed deposits with original maturities of over three months	<u>42,180</u>	<u>74,440</u>
Cash and bank balances in the condensed consolidated statement of financial position	129,215	178,363
Less: Fixed deposits with original maturities of over three months	<u>(42,180)</u>	<u>(74,440)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>87,035</u>	<u>103,923</u>

#### 14. 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:

	30 June 2012 <i>HK\$'000</i>	31 December 2011 <i>HK\$'000</i>
0 – 90 days	12,039	6,380
91 – 180 days	1,406	1,542
181 – 365 days	422	297
Over 365 days	394	429
	<u>14,261</u>	<u>8,648</u>

#### 15. Share Capital

	30 June 2012 <i>HK\$'000</i>	31 December 2011 <i>HK\$'000</i>
Authorised: 12,000,000,000 ordinary shares of HK\$0.00025 each	<u>3,000</u>	<u>3,000</u>
Issued and fully paid: 9,200,000,000 ordinary shares of HK\$0.00025 each	<u>2,300</u>	<u>2,300</u>

#### 16. Commitments

At 30 June 2012, the Group had no capital commitments (31 December 2011: Nil).

## 17. Related Party Transactions

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

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Rental expenses to a related company (note a)	816	816
Printing income from related companies (note a)	84	366
Printing income from a related company (note b)	147	-
Translation fee to a related company (note b)	258	-
	546	1,188

Note:

- (a) A controlling shareholder of the Company is also the controlling shareholders of the related companies.
- (b) A director of the Company is also director of the related company.

### Compensation of key management personnel

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

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000
Short-term benefits	546	4,606
Post-employment benefits	9	14
	555	4,620

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

## Management Discussion and Analysis

### Business Review

Due to sluggish global economy and lingering European sovereign debts crisis, the investor confidence remained weak in the first half of year 2012. Given the poor stock market sentiment, both aggregate number and aggregate amount of Initial Public Offer (the "IPO") fundraising in Hong Kong decreased by approximately 32% and 82% respectively as compared with that for the six months ended 30 June 2011.

### Financial Review

For the six months ended 30 June 2012 ("Period under Review"), the Group recorded a turnover of approximately HK\$73.2 million (2011: approximately HK\$112.6 million), representing a decrease of about 35% compared with the corresponding period of last year. The Group's profit before income tax expenses decreased by 45.9% to approximately HK\$21.9 million (2011: approximately HK\$40.5 million). The decline in profit before income tax expenses was mainly due to decrease in turnover.

During the Period under Review, the profit attributable to shareholders of the Company was approximately HK\$18.4 million (2011: approximately HK\$34 million), representing a decrease of approximately 45.9% compared with the corresponding period of last year. Basic earnings per share was approximately HK0.20 cent (2011: HK0.37 cent).

### Liquidity and Financial Resources

As at 30 June 2012, the Group's cash and bank balances amounted to approximately HK\$129.2 million (31 December 2011: approximately HK\$178.4 million) with no borrowings (31 December 2011: Nil). The Group had total current assets of approximately HK\$196.6 million (31 December 2011: approximately HK\$221.5 million) and total current liabilities of approximately HK\$44.9 million (31 December 2011: approximately HK\$30.7 million). The Group's current ratio, defined as total current assets over total current liabilities, was 4.4 (31 December 2011: 7.2).

Total equity of the Group as at 30 June 2012 stood at approximately HK\$246.2 million (31 December 2011: approximately HK\$236.8 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 15.4% (31 December 2011: 11.5%).

### Pledge of Assets

As at 30 June 2012, the Group had no pledge of assets.

### Capital Structure

There was no change in the Group's capital structure for the six months ended 30 June 2012.

## Management Discussion and Analysis *(continued)*

### Contingent Liabilities

As at 30 June 2012, the Group did not have any material contingent liabilities.

### 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.

In light of the external economic and financial environments, 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 is reviewing the expansion plans, including the establishment of a backup production and translation hub in mainland China, 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.

### Employees

As at 30 June 2012, the Group had a total of approximately 152 (2011: approximately 142) full-time employees. The staff cost of the Group during the Period under Review was about HK\$20.4 million (2011: approximately HK\$24.8 million). The staff cost included 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 for all its employees. Basically, the Group structured remuneration packages of employees in reference to general market practice, employees' duties and responsibilities and the Group's financial performance.

### Significant Investments Held

As at 30 June 2012, the Group held available-for-sale investments of approximately HK\$91.6 million, after recognition of an accumulated fair value loss of approximately HK\$6.9 million. During the year under review, the dividend income and interest income earned on these investments were HK\$0.6 million and HK\$0.6 million respectively. The Group intended to hold these investments for a long-term purpose.

### Significant Acquisitions and Disposals of Investments

Saved for those disclosed in the condensed consolidated financial statements, the Group did not acquire any significant investments or properties during the Period under Review. There was no material acquisition and disposal of subsidiaries and associated companies during the Period under Review.

## Management Discussion and Analysis *(continued)*

### Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2012.

### Interest Rate Risk

The Group had interest bearing financial assets primary at various fixed interest rates which comprised bank deposits and corporate bonds. As there was no significant financial risk of change in interest rates, the Group currently did not have any interest rate hedging policy.

### Foreign Exchange Risk

The Group conducted its business transactions principally in Hong Kong dollars ("HK\$"). As at 30 June 2012, most of the Group's bank, cash balances and available-for-sale investments were mainly denominated in Hong Kong dollars, Renminbi and United States Dollars ("US\$"). As Renminbi was relatively stable and under appreciation pressure, the foreign exchange risk exposure was limited. In addition, the HK\$ is pegged to the US\$ which foreign exchange risk exposure is minimal. Other non-HK\$ asset holdings were relatively small. As such, the Group did not adopt any foreign exchange derivatives for hedging purpose as at 30 June 2012.

### Credit Risk

The Group's credit risks mainly arise from trade receivables and bank deposits. The Group strives to manage the risk exposure of trade receivables by closely monitoring the payment records of its customers and requesting for customer deposits wherever necessary. The credit risk on the bank deposits is limited because of their high credit ratings.

### Price Risk

The Group's investments in equities and corporate bonds are exposed to price risk. The management will closely monitor by performing ongoing evaluation of the assets positions and market condition.

## Other Information

### Share Option Scheme

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 six months ended 30 June 2012.

### Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.



## Other Information *(continued)*

### Audit Committee

The Group established an audit committee which consisted 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 and supervise the financial reporting and the internal control system of the Group. The audit committee has reviewed the Group's interim report for the six months ended 30 June 2012.

### Directors' and Chief Executive's Interests and Short Positions in Shares

As at 30 June 2012, the interests or short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company and 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 of Hong Kong Limited (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\$0.00025 each of the Company*

Name of Directors	Capacity	Number of shares held	Approximate percentage of interested shares to the issued shares capital of the Company (%)
Lee Wing Yin	Beneficial ownership	640,000	0.01
Lau Wai Shu	Beneficial ownership	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.

## Other Information *(continued)*

### Interest of Substantial Shareholders

As at 30 June 2012, 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, had interests or 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:

#### *Long position in ordinary shares of HK\$0.00025 each of the Company*

Name of Substantial Shareholders	Capacity/ Nature of interest	Number of shares held	Approximate percentage of interested shares to the issued shares capital of the Company (%)
Mr. Pong Wai San, Wilson ("Mr. Pong")	Beneficial ownership	6,580,000,000	71.52
Tung Ching Yee, Helena ( <i>Note 1</i> )	Interest of Spouse	6,580,000,000	71.52
Profit Allied Limited ( <i>Note 2</i> )	Controlled corporation	5,712,000,000	62.09
Richfield Group Holdings Limited ( <i>Note 3</i> )	Controlled corporation	400,000,000	4.35
Virtue Partner Group Limited ( <i>Note 4</i> )	Controlled corporation	400,000,000	4.35

Notes:

- Ms. Tung Ching Yee, Helena is the spouse of Mr. Pong who beneficially owns 71.52% of the Company.
- 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.
- Richfield Group Holdings Limited is beneficially owned as to about 37.05% by Mr. Pong.
- Richfield Group Holdings Limited is held as to about 26.93% 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 30 June 2012, 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.

## Other Information *(continued)*

### Outlook

Looking forward, the global financial market is still clouded by external economic difficulties and uncertainties. Inevitably, Hong Kong's stock market and its IPO fundraising activities are still adversely affected. In the second half of year 2012, the market condition is not likely to have an immediate and significant improvement. From a medium to longer term perspective, the IPO fundraising activities is expected to revive gradually once the investor confidence is restored from stabilization of the global economy and elimination of European sovereign debts concern.

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 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.

### Corporate Governance

During the six months ended 30 June 2012, the Company had complied with the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012) contained in Appendix 14 of the Listing Rules.

### Model Code for Securities Transactions by Directors

The Company adopted the Model Code set out in the Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries, all Directors confirmed that they had complied with the Model Code during the six months ended 30 June 2012.

### Appreciation

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.

By order of the Board

**Lee Wing Yin**

*Chairman*

Hong Kong 30 August 2012