

# 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 2013

**商界展關懷**  
**caringcompany** 2010-12<sup>®</sup>  
Awarded by The Hong Kong Council of Social Service  
香港社會服務聯會頒發

## Contents

2	Corporate Information
3	Condensed Consolidated Statement of Comprehensive Income
4	Condensed Consolidated Statement of Financial Position
5	Condensed Consolidated Statement of Changes in Equity
6	Condensed Consolidated Statement of Cash Flows
7	Notes to the Condensed Consolidated Financial Statements
13	Management Discussion and Analysis
15	Other Information

## 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

### Solicitor

lu, Lai & Li

### Auditor

BDO Limited

### Company Secretary

Mr. Lee Wing Yin FCCA, CPA

Codan Services Limited\*

(\* *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 Bankers

Standard Chartered Bank (Hong Kong) Limited

Hang Seng Bank Limited

### Bermuda Resident Representative

Codan Services Limited

### 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 2013

	Notes	Six months ended 30 June	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Turnover	4	66,356	73,174
Cost of services provided		(32,422)	(35,070)
Gross profit		33,934	38,104
Other income and gains	5	4,408	2,574
Selling and distribution expenses		(5,190)	(5,382)
Administrative expenses		(12,068)	(13,403)
Profit before income tax expense	6	21,084	21,893
Income tax expense	7	(3,001)	(3,451)
Profit for the period		18,083	18,442
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Net fair value (loss)/gain on available-for-sale investments		(2,795)	1,113
Total comprehensive income for the period attributable to the owners of the Company		15,288	19,555
Earnings per share	9		
– Basic		HK0.20 cent	HK0.20 cent

## Condensed Consolidated Statement of Financial Position

At 30 June 2013

	Notes	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	5,337	2,795
Available-for-sale investments	11	82,907	98,826
		<u>88,244</u>	<u>101,621</u>
<b>Current assets</b>			
Work in progress		2,309	1,617
Trade receivables	12	60,816	37,723
Other receivables, deposits and prepayments		6,434	6,575
Amount due from a related company		2	197
Income tax recoverable		–	496
Cash and bank balances	13	156,170	139,336
		<u>225,731</u>	<u>185,944</u>
<b>Current liabilities</b>			
Trade payables	14	14,991	8,388
Other payables and accruals		13,125	11,410
Dividend payable		10,120	–
Amount due to a related company		186	172
Deferred income		598	313
Income tax payable		2,865	360
		<u>41,885</u>	<u>20,643</u>
<b>Net current assets</b>		<u>183,846</u>	<u>165,301</u>
<b>Total assets less current liabilities</b>		<u>272,090</u>	<u>266,922</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		35	35
<b>Net assets</b>		<u>272,055</u>	<u>266,887</u>
<b>Capital and reserves</b>			
Share capital	15	2,300	2,300
Reserves		269,755	264,587
<b>Total equity</b>		<u>272,055</u>	<u>266,887</u>

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	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 2013 (Audited)	2,300	39,914	4,451	365	219,857	266,887
Profit for the period	-	-	-	-	18,083	18,083
Other comprehensive income						
Net fair value gain on available-for-sale investments	-	-	-	(2,795)	-	(2,795)
Total comprehensive income for the period	-	-	-	(2,795)	18,083	15,288
2012 final dividend recognised as distributions	-	-	-	-	(10,120)	(10,120)
At 30 June 2013 (Unaudited)	2,300	39,914	4,451	(2,430)	227,820	272,055
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 loss 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

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Net cash from/(used in) operating activities	3,129	(3,202)
Net cash from/(used in) investing activities	46,098	(13,686)
Net increase/(decrease) in cash and cash equivalents	49,227	(16,888)
Cash and cash equivalents at beginning of period	106,943	103,923
Cash and cash equivalents at end of period <i>(note 13)</i>	156,170	87,035

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

### 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 2012.

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.

HKFRS 9	Financial Instruments <sup>2</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</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	
	2013 HK\$'000	2012 HK\$'000
Financial printing services:		
– Printing and translation	61,415	67,444
– Advertising	4,941	5,730
	<u>66,356</u>	<u>73,174</u>

#### 5. Other Income and Gains

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Bank interest income	870	1,406
Interest income from corporate bonds	1,044	558
Dividend income	664	609
Exchange gains, net	367	–
Gain on disposal/redemption of available-for-sale investments	1,243	–
Sundry Income	220	1
	<u>4,408</u>	<u>2,574</u>

#### 6. Profit Before Income Tax Expense

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

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Depreciation of property, plant and equipment	695	983
Loss on disposal of property, plant and equipment	2	–
	<u>700</u>	<u>983</u>

#### 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	
	2013 HK\$'000	2012 HK\$'000
Current tax		
– Hong Kong profits tax	3,001	3,451
	<u>3,001</u>	<u>3,451</u>

## 8. Dividends

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013 and 2012.

## 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\$18,083,000 (six months ended 30 June 2012: HK\$18,442,000) and 9,200,000,000 (six months ended 30 June 2012: 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\$3,239,000 (six months ended 30 June 2012: HK\$411,000) on acquisition of property, plant and equipment.

## 11. Available-for-sale investments

	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Unlisted equity investment, at cost	9,896	9,896
Listed corporate bonds, at fair value	42,142	48,364
Unlisted corporate bonds, at fair value	3,663	8,891
Unlisted mutual fund, at fair value	6,436	6,293
Listed equity securities, at fair value	20,770	25,382
	<u>82,907</u>	<u>98,826</u>
	30 June 2013 HK\$'000	31 December 2012 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	98,826	42,382
(Disposals)/additions	(7,746)	48,108
Redemption on maturity	(5,378)	–
Fair value (loss)/gain, net	(2,795)	8,336
	<u>82,907</u>	<u>98,826</u>
At end of the period/year		

## 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 2013 <i>HK\$'000</i>	31 December 2012 <i>HK\$'000</i>
0 – 90 days	46,467	22,099
91 – 180 days	8,474	11,516
181 – 270 days	5,014	2,838
271 – 365 days	313	1,098
Over 365 days	548	172
	<u>60,816</u>	<u>37,723</u>

## 13. Cash and Bank Balances

	30 June 2013 <i>HK\$'000</i>	31 December 2012 <i>HK\$'000</i>
Cash at bank and on hand	20,864	18,524
Fixed deposits with original maturities of three months or less	135,306	88,419
Fixed deposits with original maturities of over three months	–	32,393
	<u>156,170</u>	<u>139,336</u>
Cash and bank balances in the condensed consolidated statement of financial position		139,336
Less: Fixed deposits with original maturities of over three months	–	(32,393)
	<u>156,170</u>	<u>106,943</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows		106,943

#### 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 2013 <i>HK\$'000</i>	31 December 2012 <i>HK\$'000</i>
0 – 90 days	12,403	6,031
91 – 180 days	1,439	1,463
181 – 365 days	472	445
Over 365 days	677	449
	<u>14,991</u>	<u>8,388</u>

#### 15. Share Capital

	30 June 2013 <i>HK\$'000</i>	31 December 2012 <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 2013, the Group had no capital commitments (31 December 2012: 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	
	2013 HK\$'000	2012 HK\$'000
Rental expenses to a related company ( <i>note a</i> )	–	816
Printing income from related companies ( <i>note a</i> )	41	84
Printing income from a related company ( <i>notes a &amp; b</i> )	–	147
Translation fee to a related company ( <i>notes a &amp; b</i> )	384	258

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 for key management personnel of the group, including amounts paid to the executive directors as disclosed in Corporate Information is as follows:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Short-term benefits	566	546
Post-employment benefits	10	9
	576	555

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

The major stock markets in the United States (the "US"), Europe and Japan recorded positive returns amid the signs of improvement in the US economy and Japan's massive monetary easing policies in the first half of year 2013. However, both stock markets in Hong Kong and mainland China have underperformed these major stock markets primarily due to poor investor sentiment resulting from China's economic slowdown and credit crunch. Hang Seng index dropped by approximately 8.2% during the period under review. Given fragile local market sentiment, the aggregate number of Initial Public Offer (the "IPO") fundraising in Hong Kong dropped approximately 28.1% to 23 from 32, albeit an approximately 28% increase in terms of aggregate amount.

### Financial Review

For the six months ended 30 June 2013 ("Period under Review"), the Group recorded a turnover of approximately HK\$66.4 million (2012: approximately HK\$73.2 million), representing a decrease of about 9.3% compared with the corresponding period of last year. The Group's profit before income tax expenses decreased by 3.7% to approximately HK\$21.1 million (2012: approximately HK\$21.9 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\$18.1 million (2012: approximately HK\$18.4 million), representing a decrease of approximately 1.6% compared with the corresponding period of last year. Basic earnings per share was approximately HK0.20 cent (2012: HK0.20 cent).

### Liquidity and Financial Resources

As at 30 June 2013, the Group's cash and bank balances amounted to approximately HK\$156.2 million (31 December 2012: approximately HK\$139.3 million) with no borrowings (31 December 2012: Nil). The Group had total current assets of approximately HK\$225.7 million (31 December 2012: approximately HK\$185.9 million) and total current liabilities of approximately HK\$41.9 million (31 December 2012: approximately HK\$20.6 million). The Group's current ratio, defined as total current assets over total current liabilities, was 5.4 (31 December 2012: 9).

Total equity of the Group as at 30 June 2013 stood at approximately HK\$272.1 million (31 December 2012: approximately HK\$266.9 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 13.3% (31 December 2012: 7.2%).

### Pledge of Assets

As at 30 June 2013, 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 2013.

## Management Discussion and Analysis *(continued)*

### Contingent Liabilities

As at 30 June 2013, 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 2013, the Group had a total of approximately 144 (2012: approximately 152) full-time employees. The staff cost of the Group during the Period under Review was about HK\$20.3 million (2012: approximately HK\$20.4 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. The Group provided training courses and developed programmes to equip staff with the necessary skills, technologies and knowledge in order to enhance their productivity and administrative efficiency.

### Significant Investments Held

As at 30 June 2013, the Group held available-for-sale investments measured at a fair value of approximately HK\$82.9 million, after recognition of an accumulated fair value loss of approximately HK\$2.4 million. During the year under review, the dividend income and interest income earned on these investments were HK\$0.7 million and HK\$1.0 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 2013.

### Interest Rate Risk

The Group had interest bearing financial assets held primary at various interest rates which comprised bank deposits and corporate bonds. As there was no significant financial risk of change in interest rates, the Group had no interest rate hedging policy.

### Foreign Exchange Risk

The Group conducted its business transactions principally in Hong Kong dollars ("HK\$"). As at 30 June 2013, 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\$") and Singapore Dollars. 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. Asset denominated in other currencies were relatively small. As such, the Group did not adopt any foreign exchange derivatives for hedging purpose as at 30 June 2013.

### 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, corporate bonds and unlisted mutual fund 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 2013.

### 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 2013.



## 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 2013.

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

As at 30 June 2013, the interests and short positions of the directors and chief executive of the Company 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 (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have been taken under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers ("Model Code") contained in 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

Save as disclosed above, as at 30 June 2013 none of the directors and the chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have been taken under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or 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 2013, other than the interests of certain directors and the chief executive of the Company as disclosed under the section headed "Directors' and the chief executive's interests and short positions in securities" above, the interests or short positions of persons in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

#### *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 37.61% 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, as at 30 June 2013 the directors were not aware of any other person (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Other Information *(continued)*

### Outlook

Looking forward, the Group is still cautiously optimistic about its business prospects. In the short run, concerns over Europe sovereign debt crisis, early withdrawal of US stimulus program and China's credit squeeze remain threats to the global financial market. Inevitably, Hong Kong's stock market continues to be volatile and its IPO fundraising activities will be adversely affected. From a medium to long term perspective, the IPO fundraising activities are expected to revive gradually as soon as the investor confidence is restored from stabilization of the external economic environment.

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 2013, the Company had complied with the code provisions set out in the Corporate Governance Code 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 2013.

### 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 2013