



iOne Holdings Limited

卓智控股有限公司*

(incorporated in Bermuda with limited liability)

Stock code: 982

**INTERIM
REPORT 2008**

* for identification purpose only

Contents

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	4
Other Information	7
Condensed Consolidated Income Statement	11
Condensed Consolidated Balance Sheet	12
Condensed Consolidated Statement of Changes in Equity	13
Condensed Consolidated Cash Flow Statement	14
Notes to the Condensed Consolidated Financial Statements	15
Report on Review of Interim Financial Information	23

Corporate Information

Board of Directors

Executive directors

Ms. Ng Wing Mee, Denise (*Chairman*)

Ms. Chiu Hok Yu

Independent non-executive directors

Mr. Leung Pak Keung

Mr. Tse Chi Ming

Ms. Tsang Wing Yee

Audit committee

Ms Tsang Wing Yee (*Chairman*)

Mr. Leung Pak Keung

Mr. Tse Chi Ming

Solicitors

Iu, Lai & Li

Compliance adviser

Sun Hung Kai International Limited

Auditors

BDO McCabe Lo Limited

Qualified accountant

Mr. Ho Ming Fai *ACCA, CPA*

Company secretaries

Mr. Ho Ming Fai *ACCA, CPA*

Mr. Ira Stuart OUTERBRIDGE III*

*(*assistant secretary)*

Authorised representatives

Ms. Chiu Hok Yu

Mr. Ho Ming Fai

Head office and principal place of business

7th Floor, Wheelock House

20 Pedder Street

Central

Hong Kong

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Bermuda principal share registrar and transfer office

Butterfield Fund Services (Bermuda) Limited

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited

Principal banker

Standard Chartered Bank (Hong Kong) Limited

Bermuda resident representatives

Mr. John Charles Ross COLLIS

Place of listing

The Stock Exchange of Hong Kong Limited

Stock Code

982

Website address

www.ioneholdings.com

Chairman's Statement

Dear Shareholders,

I have great pleasure in announcing the first unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 (the "Period under Review") since its successful listing on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 July 2008. The initial public offering ("IPO") earmarked an important milestone for the Group and simultaneously added weight to expand our market share in the financial printing industry.

For the Period under Review, the Group recorded a turnover of approximately HK\$155.4 million (2007: approximately HK\$196.5 million), despite the recent fluctuating financial market. Such decrease in revenue was mainly due to a decline in both advertising revenue and IPO related revenue caused by the abolishment of mandatory requirement for media announcement and a decreasing number of companies going public. The net profit after tax attributable to shareholders for the six months ended 30 June 2008 was approximately HK\$38.3 million (2007: approximately HK\$46.2 million). The net profit margin rose to approximately 24.6% from approximately 23.5% as compared with the corresponding period last year.

The first half of year 2008 was challenging for the financial sector given the bearish stock market and high volatility of commodity market. The recent global financial market was vulnerable to the crisis in the U.S. financial industry. In anticipation that market instability will consistently linger for a period of time, the listing and fund-raising activities by the PRC and Hong Kong enterprises are unlikely to revive in the short run. Notwithstanding the market uncertainty, the Group is still cautiously optimistic on its business outlook for the rest of the year, and is committed to achieving cost efficiency and exploring business opportunities and channels.

On behalf of the Board of Directors, I would like to express our sincere gratitude to our staff and our shareholders for their contribution and continuous support.

Ng Wing Mee, Denise

Chairman

Hong Kong, 18 September 2008

Management Discussion and Analysis

Review of result

The Group's profit attributable to the Company's shareholders for the six months ended 30 June 2008 amounted to approximately HK\$38.3 million (2007: approximately HK\$46.2 million) representing a decrease of approximately 17.1% in response to decline in turnover by approximately 20.9% as compared to six months ended 30 June 2007. Accordingly, the basic earnings per share for the Period under Review was approximately HK\$0.19. (2007: approximately HK\$0.23).

Revenue

The Group's turnover for the six months ended 30 June 2008 decreased by approximately 20.9% to approximately HK\$155.4 million from approximately HK\$196.5 million for the corresponding period last year. It was mainly due to drop in revenue from advertising by approximately 74.4% to approximately HK\$15.8 million from approximately HK\$61.7 million for the corresponding period last year as a result of abolishment of mandatory requirement for listed company to publish announcement in newspaper. However, the revenue from translation increased by approximately 21.2% to approximately HK\$17.7 million from approximately HK\$14.6 million as compared with the corresponding period last year. The revenue from printing was steady at above HK\$120 million in the first half of this and last years. During the Period under Review, the decrease in revenue from IPO prospectuses was set off by the surge in the income from financial reports.

Gross Profit Margin and Gross Profit

The Group's consolidated gross profit dropped by approximately HK\$14.7 million during the Period under Review to approximately HK\$74.4 million from approximately HK\$89.1 million for the corresponding period last year. However, the Group's profit margin increased to approximately 47.9% from approximately 45.3% as compared with the corresponding period last year, resulting from reduction in advertising cost in line with corresponding decline in advertising revenue.

Other Income and Gains

The Group's other income and gains during the Period under Review was approximately HK\$0.4 million (2007: approximately HK\$1.4 million), a decrease of approximately HK\$1 million, mainly attributable to the decline in interest income resulting from the drop in interest rate and cash balance.

Selling and Distribution Expenses

The Group's selling and distribution expenses during the Period under Review were approximately HK\$13.5 million (2007: approximately HK\$12.3 million), representing an increase of approximately 9.8% as compared with the corresponding period last year. The increase was mainly due to a rise in remuneration of marketing personnel.

Management Discussion and Analysis *(continued)*

Administrative Expenses

The Group's administrative expenses declined to approximately HK\$15.1 million for the six months ended 30 June 2008 from approximately HK\$20 million as compared with the corresponding period last year. The decrease was mainly attributable to HK\$5 million share-based payment made to employee last year and no such payment was made this year. The percentage of administrative expenses to sales revenue during the Period under Review was approximately 9.7% (2007: approximately 10.2%).

Liquidity and Financial Resources

As at 30 June 2008, the Group's cash and bank balances stood at approximately HK\$30.2 million (31 December 2007: approximately HK\$105.2 million). The Group did not have any borrowings (31 December 2007: Nil) at the end of the Period under Review. The Group had current assets of approximately HK\$138.3 million (31 December 2007: approximately HK\$187.1 million) and total current liabilities of approximately HK\$73.8 million (31 December 2007: approximately HK\$154.7 million). The Group's current ratio, defined as the total current assets over total current liabilities, was approximately 1.9 (31 December 2007: approximately 1.2).

The total equity of the Group as at 30 June 2008 was approximately HK\$69.5million (31 December 2007: approximately HK\$37.2 million). The increase was mainly attributable to growth in net profit after tax. The Group's gearing ratio, determined as total liabilities over total assets was about 51.8% (31 December 2007: approximately 80.8%), representing a decrease of approximately 29% mainly due to decline in total liabilities resulted from subsequent settlement of dividend, bonus and commission payment.

Pledge of Assets

As at 30 June 2008, bank deposit of approximately HK\$0.2 million (31 December 2007: approximately HK\$0.5 million) were pledged to a bank to secure general banking facilities granted to the Group.

Capital Structure

The Company was incorporated in Bermuda on 24 January 2008 and 10,000 ordinary shares of HK\$0.01 per share was issued at nil paid on 28 February 2008. On 25 June 2008, the Company issued another 29,990,000 ordinary shares of HK\$0.01 per share, credited as fully paid, together with aforesaid 10,000 ordinary shares, in exchange for the entire issued share capital of Miracle View Group Ltd. As a result, Miracle View Group Ltd became the wholly owned subsidiary of the Company. As at 30 June 2008, the Company has 30,000,000 ordinary shares of HK\$0.01 per share in issue. The Group's operations were financed mainly by internal resources and shareholders' equity.

Management Discussion and Analysis *(continued)*

Contingent Liabilities

As at 30 June 2008, the Group was not aware of any material contingent liabilities.

Business Plan

With an objective of establishing the Group as an international financial printing services provider and strengthening its core competitiveness in financial sector, the Group is committed to expand its scale of operations and explore new business opportunities. In line with the future plan set out in the Company's IPO prospectus dated 30 June 2008, there are clear indications that the Group will apply the net proceeds of approximately HK\$40.5 million from the Share Offer in upgrading the hardware and software; expanding its professional staff team; establishing or acquiring backup production hub in PRC and setting up a representative office in Beijing, PRC. Pending the utilization of the proceeds, the Group has placed short-term interest bearing deposits with authorized financial institutions and/or licensed banks in Hong Kong.

Employees

As at 30 June 2008, the Group had a total of approximately 174 (30 June 2007: approximately 166) full-time employees. The staff cost of the Group for the six months ended 30 June 2008 was about HK\$35.7 million (2007: approximately HK\$35.5 million). The staff cost included salaries, commissions, bonus, other allowance, retirement benefits scheme contribution and share-based payment. The Group operates a defined contribution benefits scheme under the Mandatory Provident Fund Schemes Ordinance and medical insurance or medical benefits for all its employees. The Group structured remuneration packages of employees by general reference to market terms, employees' duties and responsibilities and the Group's financial performance.

Significant Investment Held

The Group did not acquire any investments or properties during the Period under Review. Saved as the reorganization disclosed in the prospectus dated 30 June 2008 of the Company, there was no material acquisition and disposal of subsidiaries and associated companies during the Period under Review.

Interim Dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2008.

Management Discussion and Analysis *(continued)*

Initial Public Offer

As a result of oversubscription in the IPO, the Company was successfully listed on the main board of the Stock Exchange on July 14, 2008. The net proceeds of approximately HK\$40.5 million were received from fund raising. The Group will use the proceeds to strengthen its competitiveness by accomplishing the future plans as stated in the prospectus dated 30 June 2008.

Interest Rate Risk

The Group had interest bearing financial assets at fixed interest rate which comprised short-term bank deposits. As there is no significant financial risk of change in interest rates, the Group currently does not have any interest rate hedging policy.

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 2008.

Audit Committee

On 25 June 2008, the Group established an audit committee which consisted of three independent non-executive Directors, namely Messrs. Tsang Wing Yee, Leung Pak Keung and Tse Chi Ming. Ms. Tsang Wing Yee is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting and the internal control of the Group. The audit committee has reviewed the Group's interim report for the six months ended 30 June 2008.

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

The shares of the Company have been listed on the main board of the Stock Exchange since 14 July 2008. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008.

Other Information *(continued)*

Directors' Interests and Short Positions in Shares

As at 14 July 2008, date of listing of shares of the Company on the main board of the Stock Exchange, the interest or short positions of the Directors or the chief executives 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 pursuant to the Mode Code are as follows:

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

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

Notes:

- 122,400,000 shares of the Company were directly held by Brilliant Eagle. As Brilliant Eagle's issued share capital is held as to approximately 60.89% by Gold Fortune Investments Limited, whose entire issued share capital is in turn held as to 50% by Ms. Ng Wing Mee, Denise. She is deemed to have interests in the same block of 122,400,000 shares under Part XV of the SFO.
- 1,890 shares of Brilliant Eagle is beneficially owned as to about 18.90% by Ms. Chiu Hok Yu.

Other Information *(continued)*

Interest of Substantial Shareholders

As at 14 July 2008, date of listing of shares of the Company on the main board of the Stock Exchange, the following persons, other than the directors 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.

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

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

Notes:

- Brilliant Eagle is beneficially owned as to about 60.89% by Gold Fortune Investments Limited.
- Gold Fortune Investments Limited is beneficially held by Ms. Ng Wing Mee, Denise and her spouse Mr. Ip Mo Leung, Gary in equal shares of 50% each.
- Goldfish Ventures Limited is beneficially held by Ms. Yeung Wing Yan, Wendy, Mr. Tsang Link Carl, Brian, and Mr. Yih Lai Tak, Dieter in equal shares of one-third each.
- Ms. Wong Yuen Man, Frances is the spouse of Mr. Tsang Link Carl, Brian who owns one-third of the shares in Goldfish Ventures Limited. Therefore, she is deemed to be interested in the shares of which Mr. Tsang Link Carl, Brian is deemed to be interested in for the purpose of the SFO.
- Ms. Yih Caroline Celestine is the spouse of Mr. Yih Lai Tak, Dieter who owns one-third of the shares in Goldfish Ventures Limited. Therefore, she is deemed to be interested in the shares of which Mr. Yih Lai Tak, Dieter is deemed to be interested in for the purpose of the SFO.
- Eternal Fortune Management Limited holds 6,800,000 shares of the Company and Twin Luck Worldwide Holdings Ltd. holds 6,800,000 shares of the Company. The entire share capital of Eternal Fortune Management Limited and Twin Luck Worldwide Holdings Ltd. is solely held by Ms. Kong Yee Ching Ellen. She is deemed to have interests in the 13,600,000 shares of the Company held by Eternal Fortune Management Limited and Twin Luck Worldwide Holdings Ltd.

Save as disclosed above, the register required to be kept under section 336 of the SFO shows that as at 14 July 2008 (date of listing of shares of the Company on the main board of the Stock Exchange), 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)*

Corporate Governance Practices

The Company is committed to maintain a high standard of corporate governance in the interest of shareholders of the Company. The Board is of the opinion that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") since 14 July 2008, date of listing of shares of the Company.

Model Code for Securities Transactions by Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuer (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 have complied with the Model Code since 14 July 2008, date of listing of shares of the Company, and up to the date of this report.

By order of the Board

Ng Wing Mee, Denise

Chairman

Hong Kong 18 September 2008

Condensed Consolidated Income Statement

For the six months ended 30 June 2008

		Six months ended 30 June	
		2008	2007
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Turnover	4	155,418	196,529
Cost of services provided		(81,062)	(107,434)
Gross profit		74,356	89,095
Other income and gains		352	1,377
Selling and distribution expenses		(13,472)	(12,294)
Administrative expenses		(15,052)	(19,981)
Profit before income tax expense	5	46,184	58,197
Income tax expense	6	(7,863)	(11,167)
Profit for the period		38,321	47,030
Profit attributable to:			
Equity holders of the Company		38,257	46,178
Minority interests		64	852
		38,321	47,030
Dividends	7	-	7,716
Earnings per share	8		
— Basic (HK\$)		0.19	0.23

Condensed Consolidated Balance Sheet

At 30 June 2008

	Notes	30 June 2008 HK\$'000 (Unaudited)	31 December 2007 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	5,893	6,286
Current assets			
Work in progress		3,305	2,568
Trade receivables	10	92,312	71,856
Other receivables, deposits and prepayments		8,366	6,909
Amounts due from shareholders	11	3,912	-
Pledged bank deposit	12	150	500
Cash and cash equivalents	13	30,230	105,223
		138,275	187,056
Current liabilities			
Trade payables	14	25,448	8,971
Other payables and accruals		23,608	46,334
Amount due to a related company		4,849	10,204
Deferred income		972	972
Dividend payable		-	74,705
Income tax payable		18,871	13,553
		73,748	154,739
Net current assets		64,527	32,317
Total assets less current liabilities		70,420	38,603
Non-current liabilities			
Deferred income		405	891
Deferred tax liabilities		488	506
		893	1,397
Net assets		69,527	37,206
Capital and reserves			
Share capital	15	300	-
Reserves		69,227	36,701
Equity attributable to equity holders of the Company		69,527	36,701
Minority interests		-	505
Total equity		69,527	37,206

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2008

	Attributable to equity holders of the Company						Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note i)	Retained profits HK\$'000	Proposed dividend HK\$'000	Subtotal HK\$'000		
At 1 January 2008 (Audited)	-	4,751	-	31,950	-	36,701	505	37,206
Profit for the period, representing total recognised income for the period	-	-	-	38,257	-	38,257	64	38,321
Acquisition of minority interests (Note ii)	-	-	-	(5,431)	-	(5,431)	(569)	(6,000)
Arising from the Reorganisation	300	(4,751)	4,451	-	-	-	-	-
At 30 June 2008 (Unaudited)	300	-	4,451	64,776	-	69,527	-	69,527
At 1 January 2007 (Audited)	10,000	-	-	24,797	22,254	57,051	-	57,051
Profit for the period, representing total recognised income for the period	-	-	-	46,178	-	46,178	852	47,030
Distribution to then shareholders	(10,000)	-	-	-	-	(10,000)	-	(10,000)
Issue of shares	-	1	-	-	-	1	-	1
Issue of shares in respect of: share-based compensation	-	4,750	-	-	-	4,750	250	5,000
loss on deemed disposal of subsidiary	-	-	-	-	-	-	383	383
2006 final dividend paid to then shareholders	-	-	-	-	(22,254)	(22,254)	-	(22,254)
2007 interim dividend paid to then shareholders	-	-	-	(7,716)	-	(7,716)	-	(7,716)
At 30 June 2007 (Unaudited)	-	4,751	-	63,259	-	68,010	1,485	69,495

Notes:

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

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2008

		Six months ended 30 June	
		2008	2007
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Net cash from operating activities		5,582	46,056
Net cash from/(used in) investing activities		1,437	(4,303)
Net cash used in financing activities		(74,705)	(39,969)
Net (decrease)/increase in cash and cash equivalents		(67,686)	1,784
Cash and cash equivalents at beginning of period		97,916	31,015
Cash and cash equivalents at end of period	13	30,230	32,799

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2008

1. Group Reorganisation and Basis of Preparation

The Company was incorporated in Bermuda on 24 January 2008 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 14 July 2008.

Pursuant to a group reorganisation (the "Reorganisation") to rationalise the structure of the Company and its subsidiaries (collectively referred to as the "Group") in preparation for the listing of the Company's shares on the Stock Exchange, the Company became the holding company of the Group on 25 June 2008. Details of the Reorganisation were set out in the prospectus issued by the Company dated 30 June 2008 (the "Prospectus").

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the condensed consolidated financial statements of the Group have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" as if the group structure under the Reorganisation had been in existence throughout the six months ended 30 June 2007 and 2008, or since the respective dates of incorporation or establishment of the companies comprising the Group where this is a shorter period.

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.

2. Principal Accounting Policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial information for the year ended 31 December 2007 included in the accountants' report section of the Prospectus.

In the current period, the Group has applied the following new interpretations issued by the HKICPA which are effective for financial year beginning 1 January 2008. The adoption of these new interpretations had no material effect on the results and financial position of the Group for the current or prior accounting periods.

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2. Principal Accounting Policies *(Continued)*

The Group has not early applied the following new or revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 and HKAS 32 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellation ²
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁴

¹ Effective from annual periods beginning on or after 1 July 2009

² Effective from annual periods beginning on or after 1 January 2009

³ Effective from annual periods beginning on or after 1 July 2008

⁴ Effective from annual periods beginning on or after 1 October 2008

3. Segment Information

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

4. Turnover

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

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Financial printing services:		
– Printing and translation	139,608	134,875
– Advertising	15,810	61,654
	155,418	196,529

5. Profit Before Income Tax Expense

Profit before income tax expense has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	952	627
Loss/(gain) on disposal of property, plant and equipment	11	(107)
Loss on deemed disposal of a subsidiary	-	383
Share-based compensation expense	-	5,000
Bank interest income	(350)	(964)

6. Income Tax Expense

Hong Kong profits tax is calculated at 16.5% (six months ended 30 June 2007: 17.5%) of the estimated assessable profits for the period.

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Current tax		
– Hong Kong profits tax	7,881	10,962
Deferred tax	(18)	205
	7,863	11,167

7. Dividends

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008.

The dividends for the six months ended 30 June 2007 represented the dividends declared and paid by Miracle View Group Ltd ("Miracle View"), a subsidiary of the Company, to its then shareholders prior to the Reorganisation.

8. Earnings Per Share

The calculation of the basic earnings per share for the period is based on the profit attributable to equity holders of the Company of HK\$38,257,000 (six months ended 30 June 2007: HK\$46,178,000) and on the number of 200,000,000 (six months ended 30 June 2007: 200,000,000) shares deemed to be in issue, assuming the Reorganisation and the capitalisation issue of 170,000,000 shares as mentioned in note 18 had been effective on 1 January 2007.

The Company had no dilutive potential ordinary shares outstanding during both periods.

9. Property, Plant and Equipment

During the period, the Group spent approximately HK\$570,000 (six months ended 30 June 2007: HK\$5,033,000) on acquisition of property, plant and equipment.

10. Trade Receivables

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

	30 June 2008 HK\$'000	31 December 2007 HK\$'000
Current – neither past due nor impaired	<u>36,389</u>	<u>34,475</u>
1 – 90 days past due	53,947	27,711
91 – 180 days past due	1,085	3,936
181 – 365 days past due	659	5,574
Over 365 days past due	<u>232</u>	<u>160</u>
Amounts past due but not impaired	<u>55,923</u>	<u>37,381</u>
	<u>92,312</u>	<u>71,856</u>

11. Amounts Due From Shareholders

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

12. Pledged Bank Deposit

Pledged bank deposit represents deposit pledged to a bank to secure general banking facilities granted to the Group. The pledged bank deposit carries fixed interest on prevailing market rate ranging from 1.65% to 4.25% per annum at 30 June 2008 (31 December 2007: 4.25% per annum).

13. Cash and Cash Equivalents

	30 June 2008 HK\$'000	31 December 2007 HK\$'000
Cash at bank and on hand	11,840	6,796
Term deposits with original maturities of three months or less	18,390	91,120
Term deposits with original maturities of over three months	<u>-</u>	<u>7,307</u>
Cash and cash equivalents in the condensed consolidated balance sheet	30,230	105,223
Less: Term deposits with original maturities of over three months	<u>-</u>	<u>(7,307)</u>
Cash and cash equivalents in the condensed consolidated cash flow statement	<u>30,230</u>	<u>97,916</u>

14. Trade Payables

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

	30 June 2008 HK\$'000	31 December 2007 HK\$'000
Current	17,152	5,856
1 – 90 days past due	7,963	2,969
91 – 180 days past due	9	99
181 – 365 days past due	292	45
Over 365 days past due	<u>32</u>	<u>2</u>
	<u>25,448</u>	<u>8,971</u>

15. Share Capital

The movements in the Company's authorised and issued share capital during the period from 24 January 2008 (date of incorporation) to 30 June 2008 are as follows:

	<i>Notes</i>	Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
On the date of incorporation	<i>(a)</i>	1,000,000	10
Increase on 25 June 2008	<i>(b)</i>	<u>299,000,000</u>	<u>2,990</u>
At 30 June 2008		<u>300,000,000</u>	<u>3,000</u>
Issued and fully paid:			
Allotted and issued at nil paid on			
28 February 2008	<i>(a) & (c)</i>	10,000	-
Issue of shares upon the Reorganisation	<i>(c)</i>	<u>29,990,000</u>	<u>300</u>
At 30 June 2008		<u>30,000,000</u>	<u>300</u>

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 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.

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

The share capital at 31 December 2007 represented the nominal value of the issued share capital of Miracle View prior to the Reorganisation. As the share capital of Miracle View has no par value, the consideration of US\$100 (equivalent to approximately HK\$780) received from the issuance of share capital of Miracle View was recognised as share premium at 31 December 2007.

16. Commitments

At 30 June 2008, the Group had contracted commitments not provided for in the financial statements in respect of property, plant and equipment amounting to HK\$967,000 (31 December 2007: 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	
	2008	2007
	HK\$'000	HK\$'000
Printing charges to Sing Kee Printing Factory Limited ("Sing Kee")	12,398	12,552
Reimbursement of expenses in relation to the listing of the Company's shares on the Stock Exchange by the shareholders	3,912	-

Notes: Mr. Ip Mo Leung, Gary (spouse of Ms. Ng Wing Mee, Denise) and Ms. Ng Wing Mee, Denise, through Gold Fortune Investments Limited (owned as to 50% by Mr. Ip Mo Leung, Gary and as to 50% by Ms. Ng Wing Mee, Denise), own approximately 60.89% shareholding interest in Brilliant Eagle International Ltd. ("Brilliant Eagle"), the ultimate holding company of the Group. Further, Sing Kee is owned by Mr. Yip Sing Lam (father-in-law of Ms. Ng Wing Mee, Denise), Mr. Ip Mo Leung, Gary, 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. Therefore, Sing Kee is an associate of Ms. Ng Wing Mee, Denise and Brilliant Eagle and is therefore a related party of the Company.

The directors of the Company represented that the above transactions were carried out on normal commercial terms and in the ordinary course of business.

A master subcontracting agreement for the printing work has been entered into between the Company and Sing Kee during the period, whereby the subcontracting fees payable by the Group to Sing Kee will be determined at the prevailing market prices and terms on a job basis for the period from 14 July 2008 to 31 December 2010, subject to annual caps, as stated in the subcontracting agreement.

17. Related Party Transactions *(Continued)*

Compensation of key management personnel

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

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Salaries, commissions and other allowances	5,539	3,288
Bonuses	5,914	4,849
Retirement benefits scheme contributions	32	24
Share-based compensation benefits	—	5,000
	<u>11,485</u>	<u>13,161</u>

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

18. Post Balance Sheet Events

Subsequent to 30 June 2008, the Group has the following significant post balance sheet events:

On 14 July 2008, the Company issued a total of 30,000,000 ordinary shares of HK\$0.01 each at the price of HK\$1.60 per share by means of placing and public offer.

On the same date, the Company allotted and issued 170,000,000 ordinary shares of HK\$0.01 each as fully paid to its then shareholders by the capitalisation of an amount of HK\$1,700,000 in the share premium account of the Company.



BDO McCabe Lo Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2541 5041
Telefax: (852) 2815 0002

德豪嘉信會計師事務所有限公司
執業會計師
香港干諾道中一百一十一號
永安中心二十五樓
電話:(八五二)二五四一 五〇四一
傳真:(八五二)二八一五 〇〇〇二

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF iONE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 11 to 22 which comprises the condensed consolidated balance sheet of iOne Holdings Limited as of 30 June 2008 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw to your attention that the comparative condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period ended 30 June 2007 disclosed in the interim financial information have not been reviewed in accordance with standards applicable to review engagements issued by the Hong Kong Institute of Certified Public Accountants.

BDO McCabe Lo Limited

Certified Public Accountants

Lee Ka Leung, Daniel

Practising Certificate Number P01220

Hong Kong, 18 September 2008