CT HOLDINGS (INTERNATIONAL) LIMITED
詩天控股（國際）有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code : 1008)

Interim Report 2010

CORPORATE INFORMATION

DIRECTORS

Chairman and non-executive Director
Mr. Tsoi Tak

Executive Directors
Ms. Wu Sin Wah, Eva (Chief Executive Officer)
Mr. Cai Xiao Ming, David
Mr. Cai Xiao Xing
Mr. Kiong Chung Yin, Yttox

Independent non-executive Directors
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

COMPANY SECRETARY
Mr. Yau Chung Hang, FCCA, CPA

AUDIT COMMITTEE
Mr. Lui Tin Nang
(chairman of the audit committee)
Mr. Lam Ying Hung, Andy
Mr. Siu Man Ho, Simon

REMUNERATION COMMITTEE
Mr. Kiong Chung Yin, Yttox
(chairman of the remuneration committee)
Mr. Siu Man Ho, Simon
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang

NOMINATION COMMITTEE
Ms. Wu Sin Wah, Eva
(chairman of the nomination committee)
Mr. Siu Man Ho, Simon
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang

AUTHORISED REPRESENTATIVES
Ms. Wu Sin Wah, Eva
Mr. Cai Xiao Ming, David

COMPLIANCE ADVISER
Optima Capital Limited

JOINT AUDITORS
CCIF CPA Limited
World Link CPA Limited

PRINCIPAL BANKERS
Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Dah Sing Bank Limited
The Bank of East Asia Limited

LEGAL ADVISERS
Cayman Islands:
Conyers Dill & Pearman
Hong Kong:
Michael Li & Co.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Suites 2301–2, 23rd Floor
Tower Two, Nina Tower
8 Yeung Uk Road
Tsuen Wan
New Territories
Hong Kong

CORPORATE WEBSITE
www.ctprinting.com.hk

STOCK CODE
1008

LISTING DATE
30 March 2009

CHAIRMAN STATEMENT

BUSINESS REVIEW

The six months ended 30 June 2010 (the "Review Period") was a hard time for CT Holdings (International) Limited (the "Company") and its subsidiaries (together the "Group") as the Group recorded a significant drop in its profit. Despite the North American market has been reported to show a sign of recovery after the financial tsunami in 2008, the Group's major regional market, namely, Europe, was far from satisfaction as many European countries had their own financial crisis during the Review Period leading to a continual fall in the exchange rate of Euro against other major currencies. As a consequence, there has been a growing trend that the customers in general have become more and more prudent in placing of their orders and are particularly cost conscious. Nevertheless, despite the uncertain global economic environment, the Group is still able to achieve a turnover of approximately HK$182 million during the Review Period, representing a growth of approximately 28.6% as compared to the same period last year. Among the turnover achieved, about 8% of which were sourced from new customers. However, in view of the market uncertainty, publishers in general compress order cycle to minimize the risk of stock piling, there have been pressure on the Group to meet the clients' own delivery schedule by arranging urgent but more costly freight booking. This, coupled with the global upsurge in shipping costs, has increased the freight costs for the period under review by approximately 90% to approximately HK$11 million as compared to the same period last year. Not only the freight and transportation expenses, our direct manufacturing costs in terms of raw materials such as paper and ink, as well as labour costs have also rocketed during the Review Period. The combination of the above unfavourable business environment has resulted in a fall in gross profit from approximately HK$39 million in the corresponding period in last year to approximately HK$33 million during the period under review, as well as a deterioration of gross margin to approximately 18.1% as compared to approximately 27.3% in the corresponding period in last year. Our bottom line was thereby hardly hit as the net profit attributable to the owners of the Company has recorded a significant fall of approximately 95% to just approximately HK$0.45 million during the period under review.

OUTLOOK

In view of the challenges mentioned above, the Group will continue to strengthen its cost control measures including streamlining our manpower, automating the production process, and monitoring closely the foreign exchange risk and arranging hedging where necessary. Although we have no ability to reverse the global trend of increasing manufacturing costs, we will from time to time evaluate and revise our pricing strategy and we will also be more selective in accepting orders in order to improve our profit margin. In fact, the unprecedented threat in the period under review has started to subside since the middle of the second quarter and the result of the Group for recent months has revived. As United States and the People's Republic of China (the "PRC") have recently been ranked the top two countries with the highest gross domestic incomes, the Group will keep exploring opportunities in these markets. For the PRC, we have our own production plant under Shitian Paper Craft (Shenzhen) Company Ltd, (詩天紙藝製品(深圳)有限公司) ("CT Shenzhen"), which is the Group's wholly-owned subsidiary in Shenzhen, the PRC. Since its trial production in May 2009, the operation of CT Shenzhen is encouraging and that its turnover reached approximately RMB9.3 million in its first half year ever since commencement. Other than United States and the PRC, we will continue to focus our primary market in Europe and to explore other new markets to ensure our further growth. To cope with our growth in printing orders, we have re-located our printing factories to a new building where the gross area is more than double of, and with much improved layout than, our previous location. We have also invested not less than HK$25 million in the purchase of new printing machineries as well as upgrading the existing ones in order to enhance our production capacities. Coupled with the full launch of the new production facility in the processing factory, which has significantly improved production flows, the Group will be in a position to resume our profit growth in the remaining months of the year.

MANAGEMENT
DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

TURNOVER

The Group recorded a total turnover of approximately HK$182.4 million for the six months ended 30 June 2010, an increase of approximately 28.6% from approximately HK$141.8 million for the same period in 2009, primarily as a result of an increase in our sales to Europe and Australia, partially offset by the decrease in sales to Africa.

GROSS PROFIT

Gross profit decreased by approximately HK$5.7 million, or 14.7%, from approximately HK$38.8 million for the same period in 2009 to approximately HK$33.1 million for the Review Period. In addition, the gross profit margin for the Review period was approximately 18.1%, dropped by about 9.2% from 27.3% for the same period in 2009. Such deterioration was caused by the upsurge in material costs and direct manufacturing costs.

OTHER REVENUE AND OTHER INCOME

Other revenue and other income represents mainly the net proceeds gained from the disposal of scrap materials and bank interest income, representing an increase of approximately HK$1.1 million.

SELLING EXPENSES

During the Review Period, the freight and transportation costs included in selling expenses amounted to approximately HK$11.3 million, increased by approximately HK$5.4 million. Consequently, the selling expenses for the Review Period increased by approximately HK$4.8 million, partly compensated by the reduction in customer service expenses and commission paid.

ADMINISTRATIVE EXPENSES

The administrative expenses for the Review Period was approximately HK$16.7 million and increased by approximately HK$2.7 million when compared to the same period in 2009. The major reason for the increment of administrative expenses was mainly due to the increase in staff salaries and welfare expenses, which was caused by the recruitment of more sales staff. Moreover, exchange loss arising from the depreciation of Euros and Pound Sterling made the Group suffered from an exchange loss amounted to approximately HK$1.4 million, compared to approximately HK$269,000 in the same period of 2009. Besides, an additional directors' fee amounted to approximately HK$500,000 was paid during the Review Period, as a result of the listing of the Company on 30 March 2009.

FINANCE COSTS

The Group recorded a decrease in finance costs of about 29.7% during the Review Period when compared with the same period in 2009. The decrease was due to an overall decrease in interest bearing liabilities of the Group.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Review Period, profit attributable to owners of the Company dropped by approximately HK$8.8 million when compared with the corresponding period in 2009. Such significant profit contraction was caused by the substantial drop in profit margin and the net increase in operating expenses of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION AND LIQUIDITY

As at 30 June 2010, the Group had cash and cash equivalent amounted to approximately HK$48.0 million. Net current assets of the Group remain stable of approximately HK$162.1 million at period end date.

Normal operations of the Group were well supported by credit facilities granted by financial institutions, which amounted to approximately HK$323 million at period end date. As at 30 June 2010, the Group had interest bearing obligations under finance leases of approximately HK$25.5 million (of which approximately HK$13.9 million were repayable within one year), and outstanding secured interest bearing bank loans of approximately HK$48.2 million, among which HK$46.2 million were repayable within one year. Net book value of fixed assets and fixed deposits pledged for securing these credit facilities amounted to about HK$52 million and HK$25 million respectively.

As at 30 June 2010, the Group's net gearing ratio was approximately 0.2% which was calculated on the basis of the amount of borrowings less cash and cash equivalents and pledged bank deposits divided by shareholders' equity. As at 30 June 2010, the Group had capital commitment for purchase of property, plant and equipment of approximately HK$1.2 million. As at 30 June 2010, the Group had no material investment.

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2010, the Group did not provide any guarantees for any third party and had no significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no acquisitions or disposals of subsidiaries or associated companies by the Group during the Review Period.

INTERIM DIVIDEND

The board (the "Board") of directors (the "Directors") of the Company does not recommend the payment of an interim dividend for the Review Period.

CAPITAL STRUCTURE

During the Review Period, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 30 June 2010, the borrowings were mainly denominated in Hong Kong dollars and United States dollars ("US dollars"), while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Renminbi. All of the Group's borrowings were variable rate borrowings and no hedging has been employed by the Group during the Review Period.

The Group's turnover is mainly denominated in US dollars, Pounds Sterling, Euros and Hong Kong dollars, while its costs and expenses are mainly denominated in US dollars, Hong Kong dollars and Renminbi. As majority portion of the Group's assets, liabilities, revenues and payments during the Review Period were denominated in either Hong Kong dollars or US dollars, the Board considers that the risk exposure to foreign exchange rate fluctuations is not significant. The Group does not have a formal hedging policy and has not entered into any material foreign currency exchange contracts or derivative transactions to hedge against its currency risks.

USE OF PROCEEDS

Pursuant to the plan on use of proceeds, as at 30 June 2010, a total of approximately HK$27.6 million had been utilized, of which approximately HK$22.1 million had been used in purchasing new machinery and equipment, while approximately HK$4.5 million in increasing of the Group's working capital and approximately HK$1 million in expanding sales network by participating in international book fairs and trade shows. The rest of the proceeds has been placed in short term deposits in banks in Hong Kong. The Company will utilize the rest of the proceeds in accordance with the specific plan of use of proceeds as stated in the prospectus of the Company dated 18 March 2009.

HUMAN RESOURCES

As at 30 June 2010, the Group had a total of 37 and 87 full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC. The Group has also adopted a share option scheme to provide incentive or reward to eligible high-calibre employees and attract human resources that are valuable to the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's shares during the Review Period.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARE UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2010, the following Directors or the chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) 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 they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(i) The Company

Name of Director	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Mr. Tsoi Tak	Interest of corporation controlled	105,000,000 (note 1)	Long	52.5%
Mr. Cai Xiao Ming, David	Interest of corporation controlled	45,000,000 (note 2)	Long	22.5%

Notes:

1. These shares are held by Profitcharm Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Tsoi Tak. By virtue of the SFO, Mr. Tsoi Tak is deemed to be interested in the entire 105,000,000 shares held by Profitcharm Limited.

2. These shares are held by Sinorise International Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Cai Xiao Ming, David. By virtue of the SFO, Mr. Cai Xiao Ming, David, is deemed to be interested in the entire 45,000,000 shares held by Sinorise International Limited.

(ii) Associated corporation

Name of associated corporation	Name of registered owner	Capacity	Position	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation
Profitcharm Limited	Mr. Tsoi Tak	Beneficial interests	Long	200 shares of US$1.00 each	100%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN AND/OR SHORT POSITION

So far as is known to the Directors and chief executives of the Company, as at 30 June 2010, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or a 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, would be, directly or indirectly, interested in 10% 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:

Name of shareholder	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Profitcharm Limited (note 1)	Interest of corporation controlled	105,000,000	Long	52.5%
Sinorise International Limited (note 2)	Interest of corporation controlled	45,000,000	Long	22.5%

Notes:

1. Profitcharm Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Tsoi Tak.

2. Sinorise International Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Cai Xiao Ming, David.

CORPORATE GOVERNANCE

The Company had met the relevant code provisions set out in the Code on Corporate Governance Practices based on the principles set out in Appendix 14 to the Listing Rules during the Review Period except for the provision E.1.2 of the Code on Corporate Governance Practices in that the chairman of the Board was absent from the annual general meeting of the Company held on 4 June 2010 due to business matters.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that during the Review Period, all Directors have complied with the required standard set out in the Model Code.

OTHER INFORMATION

SHARE OPTION SCHEME

On 4 March 2009, the shareholders of the Company had approved and adopted a share option scheme (the "Share Option Scheme"). Key terms of the Share Option Scheme are summarized below:

(i) The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

(ii) Qualifying participants of the Share Option Scheme include any employee, executive and non– executive directors, customer or supplier of goods or services to any member of the Group, consultant, adviser, manager, officer or entity that provide research, development or other technological support to the Group or its member(s).

(iii) The total number of shares in respect of which options may be granted under the Share Option Scheme is 20,000,000 shares, being 10% of the total number of shares in issue as at 30 March 2009, the listing date on the Stock Exchange.

(iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

(v) Unless approved by shareholders in general meeting, the total number of shares issued and to be issued upon exercise of all options granted to any eligible participant under the Share Option Scheme in the 12 month period up to and including such further grant must not exceed 1% of the total number of shares in issue.

(vi) The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted.

(vii) A non-refundable consideration of HK$1 is payable on acceptance of the offer of grant of an option. An offer of grant of an option may be accepted by an eligible person within the date as specified in the offer letter issued by the Company, being a date not later than 21 business days from the date offer is made.

(viii) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period (which may not expire later than 10 years from the date of the grant) to be notified by the Board at its sole discretion. There is no performance target that has to be achieved before the exercise of any option.

(ix) The subscription price must be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (2) the average of the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the immediately preceding five trading days; and (3) the nominal value of a Company's share .

(x) The Board is entitled at any time within 10 years between 4 March 2009 and 3 March 2019 to offer the grant of an option to any qualifying participants.

Up to the date of this report, no option under the Share Option Scheme has yet been granted by the Board.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the Review Period with the Directors. In addition, the unaudited condensed consolidated financial statements of the Group for the Review Period have also been reviewed by the joint auditors of the Company, CCIF CPA Limited and World Link CPA Limited. The audit committee comprises three independent non-executive Directors.

INDEPENDENT REVIEW REPORT

CCIF

CCIF CPA LIMITED

陳葉馮會計師事務所有限公司

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Causeway Bay, Hong Kong

World Link CPA Limited
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INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF CT HOLDINGS (INTERNATIONAL) LIMITED
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 10 to 28, which comprise the condensed consolidated statement of financial position of CT Holdings (International) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows 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, and to report our conclusion 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 respect, in accordance with HKAS 34.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 26 August 2010

Kwok Cheuk Yuen
Practising Certificate Number P02412

World Link CPA Limited
Certified Public Accountants
Hong Kong, 26 August 2010

Fung Tze Wa
Practising Certificate Number P01138

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June 2010 (unaudited) HK$'000	2009 (unaudited) HK$'000
Turnover		**182,370**	141,779
Cost of sales		**(149,282)**	(103,013)
Gross profit		**33,088**	38,766
Other revenue and other net income		**2,165**	1,061
Selling expenses		**(16,103)**	(11,341)
Administrative expenses		**(16,665)**	(13,919)
Profit from operations		**2,485**	14,567
Listing expenses	4(d)	**–**	(1,569)
Finance costs	4(a)	**(1,937)**	(2,754)
Profit before taxation	4	**548**	10,244
Income tax charge	5	**(100)**	(991)
Profit for the period attributable to owners of the Company		**448**	9,253
Other comprehensive income:			
Gain on disposal of available-for-sale financial assets		**–**	618
Exchange differences arising on translation of foreign operations		**–**	1
Total other comprehensive income for the period		**–**	619
Total comprehensive income for the period attributable to owners of the Company		**448**	9,872
Earnings per share			
– basic and diluted	6	**HK0.2 cents**	HK5.7 cents

The notes on pages 16 to 28 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	At 30/06/2010 (unaudited) HK$'000	At 31/12/2009 (audited) HK$'000
Non-current assets			
Property, plant and equipment	8	**140,135**	147,720
Current assets			
Inventories		**82,176**	47,072
Trade and other receivables	9	**141,222**	148,070
Pledged bank deposits		**25,079**	25,306
Cash and cash equivalents		**48,001**	56,256
		296,478	276,704
Current liabilities			
Trade and other payables	10	**72,240**	59,471
Obligations under finance leases	11	**13,891**	15,006
Secured bank loans	12	**46,171**	36,982
Tax payable		**2,089**	3,554
		134,391	115,013
Net current assets		**162,087**	161,691
Total assets less current liabilities		**302,222**	309,411
Non-current liabilities			
Obligations under finance leases	11	**11,575**	18,503
Secured bank loans	12	**2,000**	2,800
Deferred taxation		**9,252**	9,161
		22,827	30,464
NET ASSETS		**279,395**	278,947
CAPITAL AND RESERVES			
Share capital	13	**2,000**	2,000
Reserves		**277,395**	276,947
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**279,395**	278,947

The notes on pages 16 to 28 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009	Attributable to owners of the Company						
			Other comprehensive income				
	Share capital HK$'000	Share premium HK$'000	Fair value reserve HK$'000	Exchange reserve HK$'000	Merger reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2009	2	108,807	(618)	–	19	100,039	208,249
Changes in equity for the six months ended 30 June 2009:							
Elimination of share capital pursuant to the reorganisation	(2)	–	–	–	–	–	(2)
Issue of 9,999,999 ordinary shares of the Company pursuant to the reorganisation	100	–	–	–	(98)	–	2
Issue of 140,000,000 ordinary shares of the Company pursuant to the capitalisation issue	1,400	(1,400)	–	–	–	–	–
Issue of 50,000,000 ordinary shares of the Company for public offering	500	62,000	–	–	–	–	62,500
Transaction costs directly attributable to issue of new shares	–	(15,153)	–	–	–	–	(15,153)
Total comprehensive income for the period	–	–	618	1	–	9,253	9,872
At 30 June 2009 (unaudited)	2,000	154,254	–	1	(79)	109,292	265,468

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009 and for the six months ended 30 June 2010

	Attributable to owners of the Company						
			Other comprehensive income				
	Share capital HK$'000	Share premium HK$'000	Fair value reserve HK$'000	Exchange reserve HK$'000	Merger reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2009	2	108,807	(618)	–	19	100,039	208,249
Changes in equity for the year ended 31 December 2009:							
Elimination of share capital pursuant to the reorganisation	(2)	–	–	–	–	–	(2)
Issue of 9,999,999 ordinary shares of the Company pursuant to the reorganisation	100	–	–	–	(98)	–	2
Issue of 140,000,000 ordinary shares of the Company pursuant to the capitalisation issue	1,400	(1,400)	–	–	–	–	–
Issue of 50,000,000 ordinary shares of the Company for public offering	500	62,000	–	–	–	–	62,500
Transaction costs directly attributable to the issue of new shares	–	(15,153)	–	–	–	–	(15,153)
Total comprehensive income for the year	–	–	618	–	–	22,733	23,351
At 31 December 2009 and 1 January 2010 (audited)	2,000	154,254	–	–	(79)	122,772	278,947
Changes in equity for the six months ended 30 June 2010							
Total comprehensive income for the period	–	–	–	–	–	448	448
At 30 June 2010 (unaudited)	2,000	154,254	–	–	(79)	123,220	279,395

The notes on pages 16 to 28 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June 2010 (unaudited) HK$'000	2009 (unaudited) HK$'000
Operating activities			
Profit before taxation		**548**	10,244
Adjustments for:			
Depreciation	4	**8,711**	7,631
Interest income		**(30)**	(21)
Finance costs	4	**1,937**	2,754
(Gain)/loss on disposal of property, plant and equipment	4	**(47)**	3
Operating profit before changes in working capital		**11,119**	20,611
Increase in inventories		**(35,104)**	(6,894)
Decrease in trade and other receivables		**6,848**	27,715
Increase/(decrease) in trade and other payables		**12,769**	(942)
Cash (used in)/generated from operations		**(4,368)**	40,490
PRC Enterprise Income Tax Paid		**(1,474)**	–
Net cash (used in)/generated from operating activities		**(5,842)**	40,490
Investing activities			
Purchase of property, plant and equipment	8	**(1,338)**	(1,150)
Proceeds on sale of property, plant and equipment	8	**259**	108
Proceeds on sale of available-for-sale financial assets		**–**	17,160
Interest received		**30**	21
Decrease in pledged bank deposits		**227**	5,070
Net cash (used in)/generated from investing activities		**(822)**	21,209

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June 2010 (unaudited) HK$'000	2009 (unaudited) HK$'000
Financing activities			
Proceeds from new bank loans		**166,848**	126,514
Repayment of bank loans		**(158,459)**	(165,143)
Interest element of finance lease payments	4	**(593)**	(973)
Finance costs	4	**(1,344)**	(1,781)
Capital element of finance lease payments		**(8,043)**	(14,128)
Proceeds from issuance on ordinary shares for public offering		**–**	62,500
Transaction costs directly attributable to the issue of new shares		**–**	(15,153)
Net cash used in financing activities		**(1,591)**	(8,164)
Net (decrease)/increase in cash and cash equivalents		**(8,255)**	53,535
Exchange differences		**–**	(1)
Cash and cash equivalents at beginning of the period		**56,256**	14,456
Cash and cash equivalents at end of the period		**48,001**	67,990

The notes on pages 16 to 28 form an integral part of this interim financial report.

1. CORPORATE INFORMATION

The Company was incorporated and domiciled in the Cayman Islands under Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 11 November 2008. The Company has established a principal place of business in Hong Kong at Suites 2301-2, 23rd Floor Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong and was registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance on 24 December 2008. Its issued shares have been listed on the Main Board of the Stock Exchange since 30 March 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of the condensed consolidated financial statements

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by HKICPA.

The measurement basis used in the preparation of the unaudited condensed consolidated financial statements is the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to nearest thousand except where otherwise indicated.

The principal accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2009 except for the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA which are or have become effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

a) Basis of preparation of the consolidated financial statements *(continued)*

The adoption of the above new or revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group's unaudited consolidated financial statements.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 9	Financial Instruments[5]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

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

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might not affect the classification and measurement of the Group's financial assets.

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

This interim financial report contains unaudited condensed consolidated financial statements and selected condensed explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 2009 audited financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by the audit committee.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The application of HKFRS 8 has resulted in a change of the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's chief reporting decision maker and has resulted in a change of the geographical information presented by continent of the country located instead of by country.

The Group is principally engaged in the provision of printing services in Hong Kong and overseas markets. The Group's chief operating decision maker regularly reviews the consolidated financial information to assess the performance of and makes resource allocation decisions for the Group's operation. There is only one operating segment for the Group.

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the good is delivered. The geographical location of the Group's segment assets and capital expenditure is based on the physical location of the assets.

The Group comprises the following main geographical segments:

	For the six months ended 30 June 2010					
	Europe HK$'000	Asia HK$'000	North America HK$'000	Oceania HK$'000	Africa HK$'000	Consolidated HK$'000
Revenue from external customers	137,321	26,037	13,194	4,820	998	182,370
Segment result	12,266	1,759	2,936	1,342	149	18,452
Other revenue and other net income						2,165
Central corporate expenses						(18,132)
Profit from operations						2,485
Finance costs						(1,937)
Income tax charge						(100)
Profit for the period						448

3. SEGMENT INFORMATION *(continued)*

	For the six months ended 30 June 2009						
	Europe HK$'000	Asia HK$'000	North America HK$'000	South America HK$'000	Oceania HK$'000	Africa HK$'000	Consolidated HK$'000
Revenue from external customers	97,637	21,653	12,856	813	3,389	5,431	141,779
Segment result	19,055	3,809	3,547	171	1,155	1,109	28,846
Other revenue and other net income							1,061
Central corporate expenses							(15,340)
Profit from operations							14,567
Finance costs							(2,754)
Listing expenses							(1,569)
Income tax charge							(991)
Profit for the period							9,253

All the Group's assets and liabilities are physically located in the PRC including Hong Kong, and accordingly, no analysis on segment assets and liabilities and capital expenditure is provided.

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) :

	For the six months ended 30 June 2010 HK$'000	2009 HK$'000
a) Finance costs		
Interest on bank loans and other borrowings wholly repayable within five years	**1,344**	1,781
Finance charges on obligations under finance leases	**593**	973
Total interest expense on financial liabilities not at fair value through profit or loss	**1,937**	2,754
b) Staff costs		
Salaries, wages and other benefits	**25,613**	19,922
Contributions to defined contribution retirement plan	**338**	253
	25,951	20,175
c) Other items		
Auditors' remuneration	**142**	160
Cost of inventories sold	**149,282**	103,013
Depreciation		
– owned assets	**5,471**	4,076
– assets held under finance leases	**3,240**	3,555
Exchange loss, net	**1,424**	269
Operating lease charges in respect of land and building	**3,155**	3,232
(Gain)/loss on disposal of property, plant and equipment	**(47)**	3

d) Listing expenses

The amounts represent professional fees and other expenses related to the listing of the Company's shares on the Stock Exchange being recognised for the period ended 30 June 2009. Pursuant to HKAS 32 Financial Instruments: Presentation, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as expenses when incurred.

5. INCOME TAX CHARGE

	For the six months ended 30 June 2010 HK$'000	2009 HK$'000
Current tax – Hong Kong Profits Tax	–	416
Current tax – PRC Enterprise Income Tax		
– Underprovision in prior year	9	–
Deferred tax	91	575
	100	991

The provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) based on the estimated assessable profit for the period.

The PRC subsidiary is subject to PRC Enterprise Income Tax at 25% (2009: 25%).

6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	For the six months ended 30 June 2010 HK$'000	2009 HK$'000
Profit for the period attributable to the owners of the Company	448	9,253

Number of shares

	For the six months ended 30 June 2010 No. of shares '000	2009 No. of shares '000
Issuance of shares upon reorganisation (note 13(c))	10,000	10,000
Issuance of shares upon capitalisation issue (note 13(d))	140,000	140,000
Effect of shares issued upon public offering on 30 March 2009 (note 13(e))	50,000	12,740
Weighted average number of ordinary shares in issue	200,000	162,740

6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(continued)*

The weighted average number of shares in issue during the period ended 30 June 2009 is calculated on the assumption that the 150,000,000 ordinary shares issued upon the reorganisation and capitalisation issue were in issue throughout the period.

Total ordinary shares outstanding at 30 June 2009 and 2010 was 200,000,000 shares.

Diluted earnings per share is equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding throughout the periods ended 30 June 2009 and 2010.

7. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group spent approximately HK$1,338,000 (six months ended 30 June 2009: HK$1,150,000) on additions to property, plant and equipment.

In addition, during the current period, the Group disposed of certain of its property, plant and equipment with a carrying amount of HK$212,000 (six months ended 30 June 2009: HK$111,000) for proceeds of about HK$259,000 (six months ended 30 June 2009: HK$108,000).

9. TRADE AND OTHER RECEIVABLES

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Trade receivables	**138,364**	148,128
Less: Allowance for doubtful debts	**(5,150)**	(5,150)
	133,214	142,978
Other receivables	**136**	–
Trade and other receivables	**133,350**	142,978
Prepayments	**1,772**	779
Rental, utility and sundry deposits	**933**	1,052
Deposits paid for purchase of property, plant and equipment	**–**	90
Trade deposits paid	**4,833**	3,023
Staff advances	**334**	148
	7,872	5,092
	141,222	148,070

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

9. TRADE AND OTHER RECEIVABLES *(continued)*

The Group normally grants credit terms of up to 90 – 120 days to its customers. The directors may from time to time approve extended credit periods for extra 30 to 60 days to certain wholesale customers during the period/year.

The ageing analysis of trade receivables (net of allowance for doubtful debts) presented based on the date of billing is as follows:

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Within 1 month	**33,631**	38,133
More than 1 month but within 3 months	**53,874**	45,727
More than 3 months but within 6 months	**28,276**	42,208
More than 6 months but within 1 year	**8,643**	11,487
Over 1 year	**8,790**	5,423
	133,214	142,978

The carrying amounts of trade receivables approximate to their fair values.

10. TRADE AND OTHER PAYABLES

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Trade payables	**45,189**	37,118
Bills payable	**16,107**	9,594
Accrued salaries and bonuses	**3,596**	5,265
Trade deposits received	**3,067**	2,748
Accruals and other payables	**2,896**	3,212
Accruals and other payables to a related company (note 14a)	**1,299**	706
Financial liabilities measured at amortised cost	**72,154**	58,643
Other tax payable	**86**	828
	72,240	59,471

10. TRADE AND OTHER PAYABLES *(continued)*

The ageing analysis of trade payables and bills payable presented based on the date of billing is as follows:

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Within 1 month	**25,999**	27,310
More than 1 month but within 2 months	**18,367**	10,466
More than 2 months but within 3 months	**9,628**	7,140
More than 3 months but within 1 year	**7,302**	1,796
	61,296	46,712

The directors consider the carrying amounts of the trade payables and bills payable approximate to their fair values.

11. OBLIGATIONS UNDER FINANCE LEASES

As at the end of the reporting period, the Group had obligations under finance leases repayable as follows:

	At 30/6/2010		At 31/12/2009	
	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	**13,891**	**14,639**	15,006	16,043
After 1 year but within 2 years	**9,414**	**9,688**	11,979	12,468
After 2 years but within 5 years	**2,161**	**2,187**	6,524	6,640
	11,575	**11,875**	18,503	19,108
	25,466	**26,514**	33,509	35,151
Less : Total future interest expenses		**(1,048)**		(1,642)
Present value of lease obligations		**25,466**		33,509

The Group's obligations under finance leases were secured by the lessor's charge over the leased assets.

The obligations under finance leases bore interest at Hong Kong Prime Rate.

12. SECURED BANK LOANS

As at the end of the reporting period, the secured bank loans were repayable as follows:

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Within 1 year or on demand	**46,171**	36,982
After 1 year but within 2 years	**1,600**	1,600
After 2 years but within 5 years	**400**	1,200
	48,171	39,782
Analysed for reporting purposes as:		
Current liabilities	**46,171**	36,982
Non-current liabilities	**2,000**	2,800
	48,171	39,782

Secured bank loans of the Group consisted of floating-rate borrowings. Floating-rate borrowings bore interest at 0.54% to 2.77% per annum over the London Interbank Offered Rate or at Hong Kong Prime Rate.

The Group's bank loans were secured by factored trade receivables and pledged bank deposits held by the Group.

Certain banking facilities of the Group are subject to the fulfillment of covenants relating to maintain a certain amount of bank deposits to the banks, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2010, none of the covenants relating to drawn down facilities had been breached (2009: none).

13. SHARE CAPITAL

	Notes	Number of ordinary shares	Nominal value of ordinary shares
Authorised:			
Ordinary shares of HK$0.01 each upon incorporation on 11 November 2008 as of 1 January 2009	(a)	40,000,000	HK$400,000
Increase in authorised share capital, ordinary shares of HK$0.01 each	(b)	960,000,000	HK$9,600,000
At 31 December 2009 and 30 June 2010		1,000,000,000	HK$10,000,000
Issued and fully paid:			
At 1 January 2009		1	–
Credit the 1 ordinary share in issue as fully paid on 4 March 2009		–	HK$0.01
Issue of ordinary shares pursuant to the reorganisation	(c)	9,999,999	HK$99,999.99
Issue of ordinary shares pursuant to the capitalisation issue	(d)	140,000,000	HK$1,400,000
Issue of ordinary shares upon public offering	(e)	50,000,000	HK$500,000
At 31 December 2009 and 30 June 2010		200,000,000	HK$2,000,000

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares ranked equally with regard to the Company's residual assets.

No share options were granted for the periods ended 30 June 2010 and 2009.

Notes:

(a) The authorised share capital of the Company as at the date of its incorporation was HK$400,000 divided into 40,000,000 shares of HK$0.01 each.

(b) Pursuant to the written resolution passed by all shareholders on 4 March 2009, the Company increased its authorised share capital from HK$400,000 to HK$10,000,000 by the creation of additional 960,000,000 shares of HK$0.01 each.

(c) On 4 March 2009, the Company allotted and issued 6,999,999 and 3,000,000 ordinary shares of HK$0.01 each to Profitcharm Limited and Sinorise Limited respectively credited as fully paid in consideration of the transfer of the entire issued share capital of CT Management Investments Limited by Mr. Tsoi Tak and Mr. Cai Xiao Ming, David. The one nil paid share of HK$0.01 held by Profitcharm Limited was credited as fully paid at par. Profitcharm Limited and Sinorise Limited then became the immediate parent holding company and shareholding company of the Company respectively.

13. SHARE CAPITAL *(continued)*

Notes: *(continued)*

(d) Pursuant to the written resolution passed by all shareholders on 4 March 2009, conditional on the share premium account of the Company being credited as a result of the initial listing of the shares of the Company on the Stock Exchange, directors of the Company were authorised to capitalize an amount of HK$1,400,000 from such account and applying such sum in paying up in full as par a total of 140,000,000 shares of allotment and issued to the shareholders of the Company whose names appeared on the register of members of the Company at the close of business on 4 March 2009.

(e) On 30 March 2009, the Company was successfully listed on the Stock Exchange following the completion of its public offering of 50,000,000 shares at HK$1.25 each to the investors.

Immediately following completion of the public offering and the capitalisation issue, the issued share capital of the Company was HK$2,000,000 divided into 200,000,000 ordinary shares and there were 800,000,000 authorised but unissued ordinary shares.

14. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

a) Material related party transaction

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
Shenzhen Kecai Printing Company Limited (note) – Factory rental expenses	**1,216**	910

	At	At
	30/6/2010	31/12/2009
	HK$'000	HK$'000
Year-end balance included in accruals and other payables to a related company arising from factory rental expenses and other reimbursement utility and messing expenses (note 10)	**1,299**	706

Note: As at 31 December 2009, Shenzhen Kecai Printing Company Limited and Brilliant Circle Development Limited were 2 indirect subsidiaries of Brilliant Circle Holdings International Limited ("Brilliant Circle") which were in turn indirect subsidiaries of AMVIG Holdings Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange, of which Mr. Tsoi Tak, the ultimate controlling party of the Company, held a substantial issued share capital. On 25 February 2010, Mr. Tsoi Tak acquired the entire issued share capital of Brilliant Circle and ceased to hold any shares in AMVIG Holdings Limited.

In the opinion of the directors of the Company, the above related party transactions were carried out on normal commercial terms and in the ordinary course of the Group's business.

14. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

b) Emoluments of directors and senior management of the Group

	For the six months ended 30 June 2010 HK$'000	2009 HK$'000
Salaries, allowances and other benefits	**2,106**	2,077
Contributions to defined retirement plan	**46**	39
	2,152	2,116

15. COMMITMENTS

a) Operating lease commitments

As a leasee, the Group leases certain premises under operating lease commitments, with lease terms negotiated for terms of three to five years.

As at the end of the reporting period, the Group had total future minimum lease payments, under non-cancellable operating leases in respect of land and building falling due as follows:

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Within one year	**8,540**	4,713
After one year, but within five years	**21,188**	10,655
Over five years	**–**	16,579
	29,728	31,947

b) Capital commitments

As at the end of the reporting period, the Group had the following capital commitments:

	At 30/06/2010 HK$'000	At 31/12/2009 HK$'000
Acquisition of property, plant and equipment contracted but not provided for	**1,169**	2,279

16. FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2010 and 31 December 2009, the Group did not have any material contingent liabilities and financial guarantees.

17. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007) "Presentation of Financial Statements" and HKFRS 8 "Operating Segments", certain comparative figures have been adjusted to conform to the current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2010. Further details of these developments are disclosed in note 2.