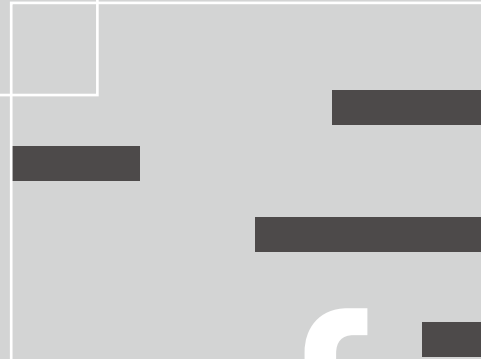
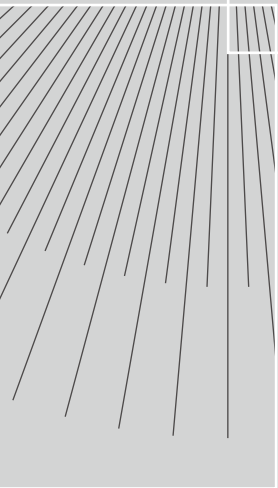
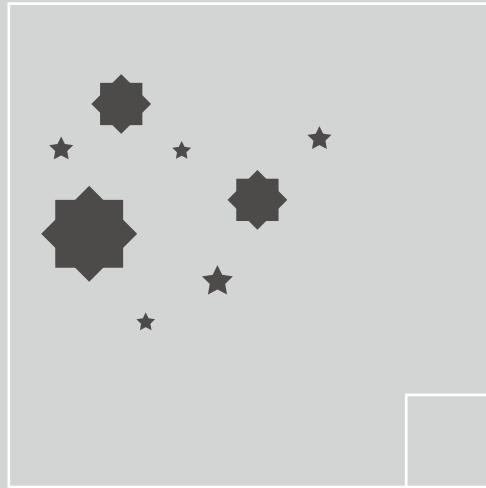


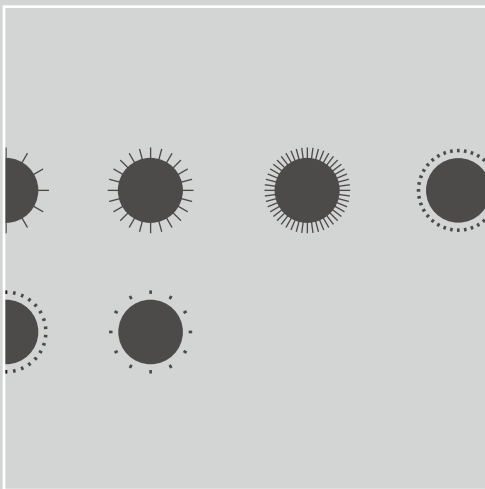


iOne Holdings Limited
Stock code: 982



pattern of success

Annual Report 2013



Cover Story

The theme of the iOne Holdings Limited Annual Report 2013 is “patterns”. Six patterns are used on the cover and in the pages of this report to symbolise the characteristics of the Group that have contributed to our unique “Patterns of Success”.

The **wave pattern** in the Chairman’s Statement symbolises his vision and determination. The **3D scatter diagram** demonstrates the workflow of our Group’s various departments in different stages of production. The **sun and moon icons** illustrate the diligence of the Group’s people, who work day and night. The **radiant lines** in the Report of the Directors mirror our management’s leadership and the balanced development of the company. The **horizontal bars** resemble book spines, which stand for the tremendous quantity of work handled by the Group every year. Finally, the **star patterns** represent the stellar achievements of the Group in the form of the numerous international awards we have won.

About Us

Founded in 2000, iOne Financial Press Limited (“iOne Financial”) has grown continuously to become one of today’s leading financial printing companies in Hong Kong and the Asia Pacific Region. Recognised for our integrity, creativity and quality, we work with a wide array of companies across different industries to deliver the best possible solutions for their printing needs, at the most reasonable cost.

We offer expert knowledge, outstanding customer service, on-time performance and highly sophisticated end products. At iOne, you can be assured that you are always our first priority. From account servicing to typesetting and design and proofreading, we are here with you every step of the way.

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Milestones

// JUL 2000 / JUN 2001 / NOV 2005

// JUL 2008 / SEP 2010 / AUG 2012

iOne Financial began operating in Hong Kong and the Asian-Pacific region.

iOne Holdings Limited became the first financial printing industry company to be listed on the main board of the Hong Kong Stock Exchange Limited (HKEx stock code: 0982).

iOne Financial established its first in-house translation team.

At the 23rd Annual International ARC Award Competition in New York, iOne Financial and iOne (Regional) picked up 52 trophies plus the Best of Hong Kong Award and Titanium Achievement Award – the highest percentage of wins.

A new sales team together with the original key members of iOne Financial established iOne (Regional) Financial Press Limited (“iOne (Regional)”) in order to expand its market share.

The iOne Financial Beijing Representative Office was relocated to Office Park, Chaoyang District in Beijing, China.

// MAR 2013 / JUL 2013 / AUG 2013

// DEC 2013 / 2000 - 2013

	<p>iOne Financial was honoured with the Most Reliable Printer Award at the Hong Kong's Most Valuable Companies Services Awards 2012. iOne Financial was the only financial printer to win the award.</p>	
		<p>The Group expanded into property investment, which will diversify its income stream and help maximise shareholder return.</p>
	<p>iOne Financial received 21 awards at the LACP Vision Awards 2012, including four Platinum Awards and five Gold Awards.</p>	
	<p>iOne Financial won 2 Grand Awards in the 27th International ARC Awards 2013 among a total of 46 awards.</p>	<p>iOne Financial is proud to have won over 500 international awards and served more than 1,300 listed clients since its launch.</p>

Corporate Information

BOARD OF DIRECTORS

Executive directors

Mr. Lee Wing Yin (Chairman)
Mr. Lau Wai Shu (Managing Director)

Independent non-executive directors

Mr. Yip Tai Him
Mr. Lung Hung Cheuk
Mr. Ng Chi Ming

AUDIT COMMITTEE

Mr. Yip Tai Him (Chairman)
Mr. Lung Hung Cheuk
Mr. Ng Chi Ming

REMUNERATION COMMITTEE

Mr. Lung Hung Cheuk (Chairman)
Mr. Ng Chi Ming
Mr. Yip Tai Him

NOMINATION COMMITTEE

Mr. Ng Chi Ming (Chairman)
Mr. Yip Tai Him
Mr. Lung Hung Cheuk

SOLICITORS

Iu, Lai & Li

AUDITOR

BDO Limited

COMPANY SECRETARY

Mr. Lee Wing Yin FCCA, CPA
Codan Services Limited*
(* Assistant Secretary)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group
(Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

PRINCIPAL BANKER

Standard Chartered Bank
(Hong Kong) Limited
Hang Seng Bank Limited

BERMUDA RESIDENT REPRESENTATIVES

Codan Services Limited

AUTHORISED REPRESENTATIVES

Mr. Lee Wing Yin
Mr. Lau Wai Shu

PLACE OF LISTING

The Stock Exchange of Hong Kong
Limited

STOCK CODE

982

WEBSITE

www.ioneholdings.com

Five Year Summary

13/ 130,463,000

	Year ended 31 December				
	2013	2012	2011	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RESULTS					
Turnover	130,463	125,925	165,621	215,826	241,477
Profit before income tax expense	25,344	37,325	45,691	71,880	65,182
Income tax expense	(5,442)	(5,435)	(6,795)	(12,073)	(10,980)
Profit for the year	19,902	31,890	38,896	59,807	54,202
	As at 31 December				
	2013	2012	2011	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES					
Total assets	311,554	287,565	267,578	266,819	215,231
Total liabilities	(30,668)	(20,678)	(30,797)	(50,843)	(48,942)
Total equity	280,886	266,887	236,781	215,976	166,289



Wild vision



Maximising shareholder value by

- Increasing competitiveness in our core business
- Enlarging our sales team and reinforcing our industry leadership
- Diversifying into other businesses to broaden our income stream
- Building our long-term investment potential

Chairman's Statement



Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual results of iOne Holdings Limited ("iOne", or the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2013.

2013 was a challenging year for several reasons. The worldwide economy stabilised to a certain degree due to the diminished risks of the sovereign debt crisis in the European Union, and the retreat from the fiscal cliff in the United States (the "US"). However, the tapering of the Quantitative Easing programme ("QE") in the US and the ongoing credit squeeze and economic slowdown in mainland China continued to threaten stock markets in both China and Hong Kong. The Hong Kong stock market was highly volatile during 2013. Although the Hang Seng Index recorded a 2.9% year-on-year growth, it underperformed other major stock markets indexes by a significant margin.

PERFORMANCE

During the year ended 31 December 2013, the Group recorded a consolidated turnover of approximately HK\$130.5 million (2012: approximately HK\$125.9 million). This slight increase of 3.7% in the Group's turnover was achieved in spite of the rigorously competitive business environment. Net profit after tax for the year ended 31 December 2013 was approximately HK\$19.9 million (2012: approximately HK\$31.9 million), while a net profit margin of approximately 15.2% represented a decrease from the 25.3% of the previous year. This decline was mainly due to an impairment loss made on equity investments. In light of the challenging marketplace, management considers the Group's final results for 2013 to be reasonably satisfactory.





REVIEW

During the year under review, the Hong Kong economy expanded moderately in tandem with the global economic recovery, strong domestic consumption, resilient tourist spending, and stable income and employment conditions. The annual inflation rate, however, was more than 4%. As a result of the pressures of rising production costs, iOne's gross profit margin was narrowed. For the treasury's yield-enhanced investments, the Group provided for the impairment loss in its equity investments resulting from underperformance of the local stock market and poor market sentiment.

The Group's final result for the year 2013 underperformed last year by approximately HK\$12 million, or about 37.6%.

In order to expand the Group's income stream, and as indicated in the announcement on 30 December 2013, the Group acquired a property for leasing. The acquisition of this property allows the Group to diversify the scope of its business and to broaden its income stream.

MARKET RECOGNITION

iOne was the first financial printer listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since July 2008. Widespread market recognition and a proven track record have enabled the Group to become one of the leaders in this niche sector of the financial printing industry. Occupying more than 20,000 square feet, its well-equipped account servicing centre in Hong Kong is one of the largest of its kind in the Asia Pacific region.

iOne provides innovative one-stop printing solutions, including concept creation, production, printing, editorial services, proofreading, typesetting and translation. With over a decade of experience, the Group has served more than 1,300 clients ranging from investment banks to law firms and major corporations. Printing services include prospectuses for initial public offerings, financial reports, announcements, circulars, corporate brochures and newsletters. Well recognised for integrity, creativity and quality, iOne's experienced professionals offer clients exceptional accuracy and quality at competitive rates.



To date, the Group has received 528 awards for its creative achievements, including 11 Grand awards, 5 Platinum awards, 111 Gold awards, 123 Silver awards, 129 Bronze awards, 135 Honors and other significant international awards. These awards have come from prestigious events such as the ARC Awards, the Astrid Awards, the Galaxy Awards, the Mercury Awards, the LACP Vision Awards and the Hong Kong Print Awards. The Group also won 2 Grand Awards in 2013 for Best of Printing and Production and Best of Overall Presentation at the 27th International ARC Awards competition in acknowledgement of the excellent designs for the 2012 annual reports of iOne and China Communications Services Corporation Limited. 1 Grand Award in 2013 was also captured by the Group for Best of Cover Design at the 27th Mercury Excellence Award for its outstanding performance in the 2012 annual report of Greentown China Limited. With one of the highest percentages of awards won among all competitors, we have proven our unquestionable market leadership position and gained global recognition.

OUTLOOK

Looking ahead to 2014, the Group is cautiously optimistic about its business prospects. For the foreseeable future, Hong Kong will continue to play an important role providing a business platform and a link between overseas companies and mainland China. Hong Kong is the largest foreign investment source for China, and China is the leading investor in Hong Kong.

Hong Kong also plays a critical role as a capital-raising centre for offshore Chinese enterprises. By the end of 2013, approximately 797 mainland companies were listed on the Stock Exchange, representing over half of the Exchange's total market capitalisation. Moreover, the Hong Kong government is committed to strengthening trade and investment liberalisation measures in the following phases of the Mainland-Hong Kong Closer Economic Partnership Arrangement. Hence, we anticipate that Hong Kong's economic outlook will remain positive.



The global economic recovery, however, is still vulnerable given the on-going concerns over the US QE tapering issue, global financing conditions and China's credit squeeze. Despite these concerns, iOne expects that newly listed state-owned enterprises and privately-owned companies in China, together with local and foreign enterprises, will sustain the growth of the Hong Kong IPO market, which will benefit the Group.

The Group is confident that its new business venture of property investment is in the interests of the Group and its shareholders. This new segment of the business not only provides a steady income stream but also serves to diversify the business. With the objective of enhancing returns for shareholders, the Group will continue to look for and identify other suitable locations for further property investment.



Going forward, the Group will continue to strengthen its competitiveness by continually upgrading and improving its hardware, technical know-how and global distribution network. We are also reviewing our plan to establish a production and translation hub in mainland China in order to strengthen our service offerings. With the aim of expanding our client base, we continue to maintain an office in Beijing to enhance our business network, as well as our marketing and research in mainland China.

I would like to express my sincere gratitude to our clients and shareholders for their continued valuable support. I would also like to take this opportunity to thank our Board of Directors, management team and staff for their dedication and hard work during the year.

Lee Wing Yin
Chairman

Hong Kong, 28 March 2014



Management Discussion and Analysis

BUSINESS REVIEW

3.7%

Despite rigorous competition in the market, the Group's turnover increased slightly in 2013 by 3.7% as compared with the previous year ended 31 December 2012.

On 30 December 2013, the Group acquired an office property located at Office No. 2 on the Third Floor of Conwell House, Nos. 34, 36 & 38 Stanley Street, Hong Kong and classified it as a new business segment of investment property. The purpose of the property investment is to provide the Group with steady rental income and long-term investment potential.

FINANCIAL REVIEW

130.5m

The Group recorded turnover of approximately HK\$130.5 million for the year ended 31 December 2013 (2012: approximately HK\$125.9 million), representing a slight increase of about 3.7% compared with the previous financial year. The Group's profit before income tax expenses decreased by 32.2% to approximately HK\$25.3 million (2012: approximately HK\$37.3 million). Profit before income tax expenses dropped mainly due to impairment loss made on available-for-sale investments.

Profit attributable to shareholders of the Company was approximately HK\$19.9 million (2012: approximately HK\$31.9 million), representing a decrease of approximately 37.6% when compared with the previous financial year. Basic earnings per share was approximately HK0.22 cent (2012: HK0.35 cent).



LIQUIDITY AND FINANCIAL RESOURCES

156.2m

As at 31 December 2013, the Group's cash and bank balances amounted to approximately HK\$156.2 million (2012: approximately HK\$139.3 million) with no borrowings (2012: Nil). The Group has current assets of approximately HK\$229.5 million (2012: approximately HK\$185.9 million) and total current liabilities of approximately HK\$30.5 million (2012: approximately HK\$20.6 million). The Group's current ratio, defined as total current assets over total current liabilities, was 7.5 (2012: 9.0). The decrease in current ratio was mainly attributable to increase in trade payables and other payables and accruals.

280.9m

Total equity of the Group as at 31 December 2013 stood at approximately HK\$280.9 million (2012: approximately HK\$266.9 million). The increase was mainly driven by the net profit after tax for the year. The Group's gearing ratio, being total liabilities over total assets, was 9.8% (2012: 7.2%), which resulted from increases in trade payables, trade deposits and accrued commissions and bonuses.

CAPITAL STRUCTURE

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

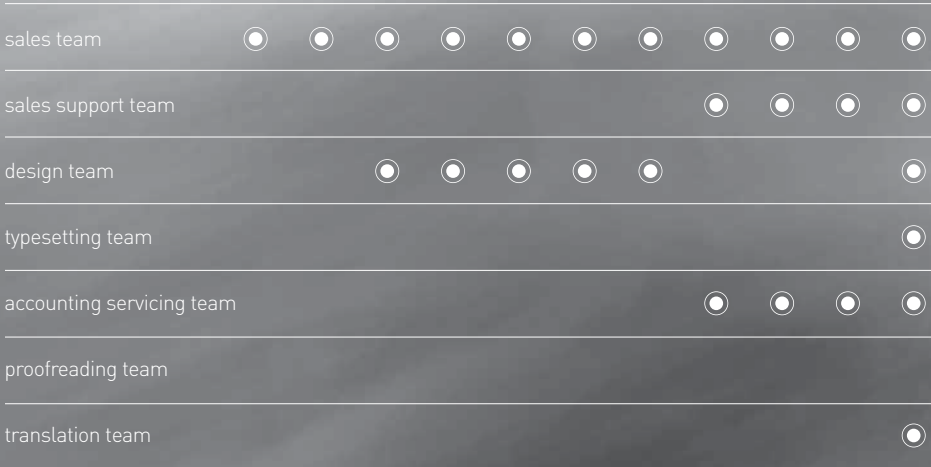
EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

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

This is how every department at iOne Financial works to bring your project to completion. At the beginning of the process, our Sales and Design Departments are where our focus lies. In the more advanced stages, our Account Servicing Department and Typesetting Department take over.

work

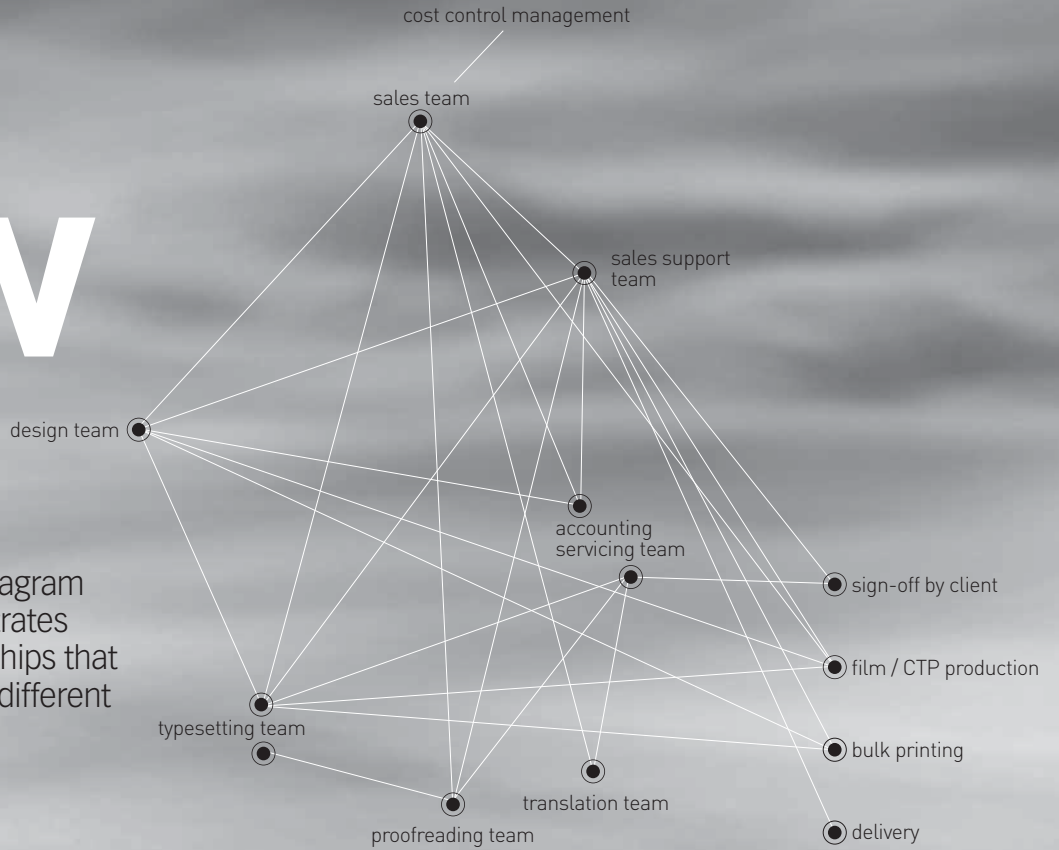
work in



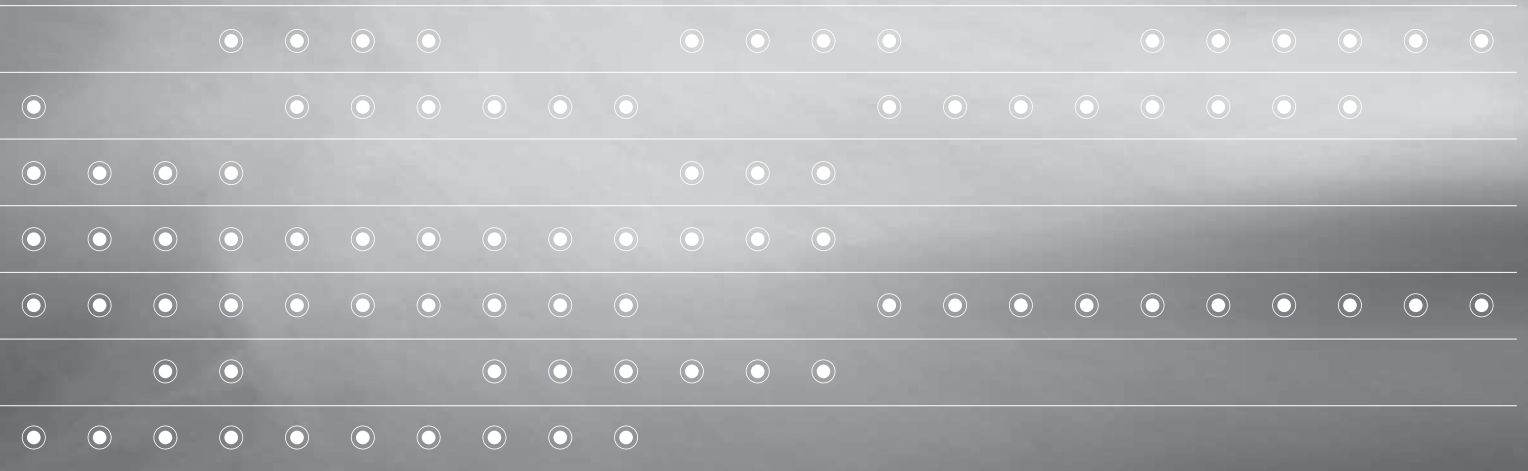
creative development / pitching stage

flow

The 3D scatter diagram shown here illustrates the interrelationships that exist among our different departments.



progress



documentation stage

bulking printing stage



EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES



The Group conducted its business transactions principally in Hong Kong Dollars (“HK\$”). As at 31 December 2013, most of the Group’s bank deposits, cash balances and available-for-sale investments were mainly denominated in HK\$, Renminbi (“RMB”), United States Dollars (“US\$”) and Singapore Dollars. As the RMB remained relatively stable and under appreciation pressure, the foreign exchange risk exposure was limited. In addition, the HK\$ is pegged to US\$, which made our foreign exchange risk exposure minimal. Assets denominated in other currencies were relatively small. As such, the Group did not adopt any foreign exchange derivatives for hedging purposes as at 31 December 2013.

EXPOSURE TO CREDIT RISK

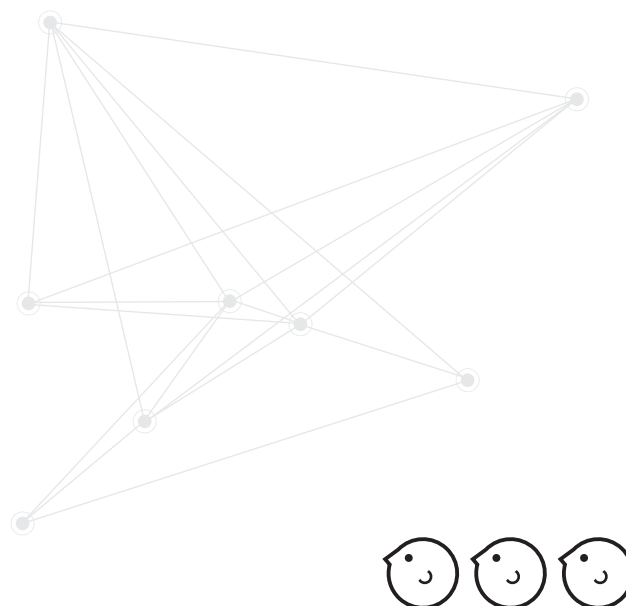
The Group’s credit risks mainly arise from trade receivables and bank deposits. The Group strives to manage the risk exposure of trade receivables by closely monitoring the payment records of its customers and requesting customer deposits wherever necessary. The credit risk on the bank deposits is limited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

EXPOSURE TO PRICE RISK

The Group’s investments in property, equities, corporate bonds and an unlisted mutual fund are exposed to price risk. Management will closely monitor this risk by performing on-going evaluations of its asset positions and market conditions.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2013, the Group held an investment property and available-for-sale investments measured at fair value of approximately HK\$4.6 million and HK\$73.1 million respectively. The property was acquired on 30 December 2013 after arm’s length negotiations with reference to the prevailing market value of commercial properties of similar size and age as other properties in the same vicinity. The available-for-sale investments included recognition of an accumulated fair value gain of approximately HK\$4.6 million. During the year under review, income from dividends and interest earned on these investments were HK\$1.4 million and HK\$2.1 million respectively.



SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS

Apart from those disclosed in the report, the Group did not acquire any significant investments or properties during the year. There was no material acquisition or disposal of subsidiaries and associates during the year.

EMPLOYEES

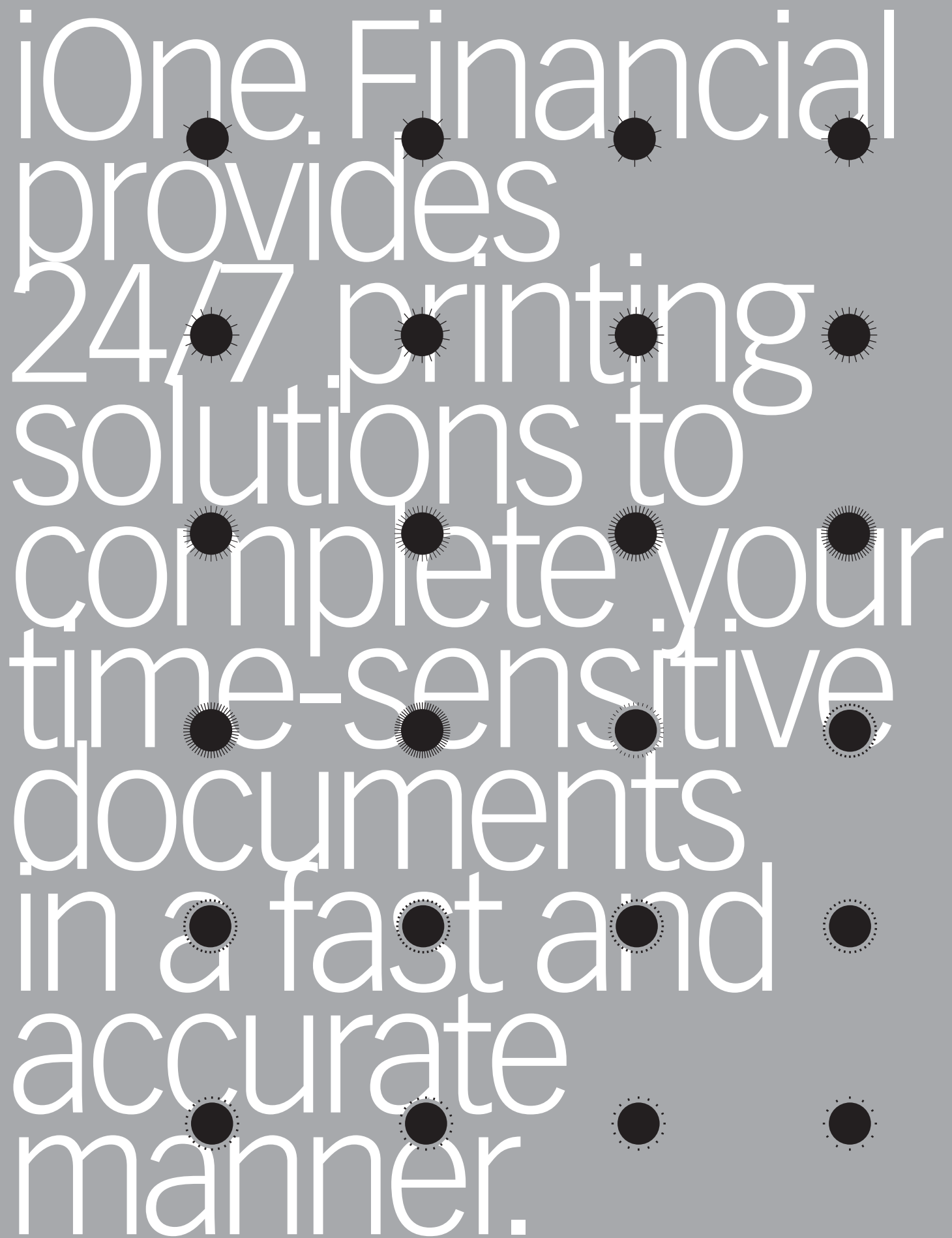
As at 31 December 2013, the Group had a total of about 144 employees (2012: approximately 149). The staff costs of the Group for the financial year were approximately HK\$40.3 million (2012: approximately HK\$37.0 million), which comprised salaries, commissions, bonuses and other allowances, and contributions to the retirement benefits scheme. The Group operates a defined contribution scheme under the Mandatory Provident Fund Schemes Ordinance, and provides medical

insurance to all employees.

Basically, the Group structured its employee remuneration packages in reference to general market practice, employees' duties and responsibilities, and the Group's financial performance. The Group provided training courses and developed training programmes to equip staff with the necessary skills, techniques and knowledge in order to enhance their productivity and administrative efficiency.

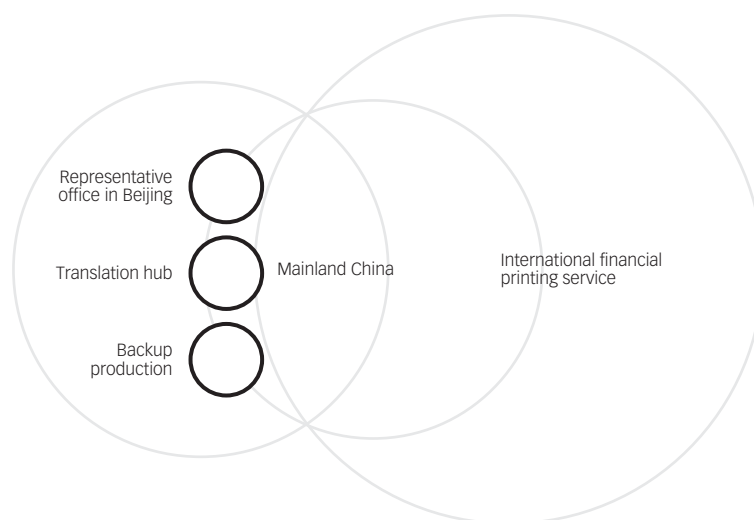


One. Financial
provides
24/7 printing
solutions to
complete your
time-sensitive
documents
in a fast and
accurate
manner.



day
to
night





PLEDGE OF ASSETS

As at 31 December 2013, the Group had no pledge of assets.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any contingent liabilities.

CAPITAL EXPENDITURE

For the year ended 31 December 2013, in addition to the acquisition of investment property disclosed under section of Significant Investments Held, capital expenditure for property, plant and equipment of the Group amounted to approximately HK\$3.3 million (2012: approximately HK\$1.0 million).

CAPITAL COMMITMENTS

As at 31 December 2013, the Group did not have any capital commitments.

BUSINESS PLAN

FINANCIAL PRINTING SERVICES

The Group's fundamental business objective is to establish itself as an international financial printing service provider in the financial sector by strengthening its core competitiveness.

To provide a practical platform for strengthening business ties to mainland China, the Group has continuously maintained a representative office in Beijing as a liaison point. The Group will review the feasibility of its expansion plans, including the establishment of a backup production and translation hub in mainland China in order to realise the benefits of lower production costs and the rapid economic growth taking place there. Furthermore, the Group will continue to improve its office facilities, streamline work procedures and upgrade its software and equipment with the aim of enhancing its competitiveness.

PROPERTY INVESTMENT

In line with its strategy of exploring new business opportunities, the Group developed a new business segment by investing in property in 2013. With the object of diversifying its business activities and acquiring a steady income stream, the Group will continue to seek and identify appropriate locations for future property investments.


To maximise profits and returns for the Group and its shareholders, the Group will focus on enhancing the competitiveness of its core business and exploring new business opportunities.





balanced development, excellent management

A reflection of our effective strategy, our success is based on the balanced development of our different departments.



managed
development
excellent
performance

Biographical Details of Directors and Senior Management

// EXECUTIVE DIRECTORS

Mr Lee Wing Yin

Mr Lee, age 44, was appointed as an executive director and the Chairman of the Company in September 2009 and March 2010 respectively. He is responsible for the provision of advice for the overall management, strategic development and supervision of the Group. Mr Lee is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He has over ten years of experience in auditing and business advisory services, and worked for international accounting firms for 6 years. Mr Lee is currently an executive director, authorised representative, chief executive officer, company secretary, and compliance officer for Richfield Group Holdings Limited (stock code: 183), a company listed on the Main Board of the Stock Exchange. He has also held senior financial management positions in various local companies. During the period from June 2009 to January 2014, Mr Lee was a director of Profit Allied Limited, a company incorporated in the British Virgin Islands with limited liability, which is beneficiary and wholly-owned by Mr Pong Wai San, Wilson ("Mr Pong"), a substantial shareholder of the Company.



Mr Lau Wai Shu

Mr Lau, age 53, was appointed as an executive director and the Managing Director of the Company in September 2009 and March 2010 respectively. He is responsible for the Group's overall management, corporate development and strategic planning. Mr Lau holds a bachelor's degree in Applied Science (civil engineering) from the University of Ottawa, Ontario, Canada and a master of business administration degree from the University of Bradford, the United Kingdom. Mr Lau has worked for various companies for over 22 years in management and marketing. Mr Lau was an executive director of Midland IC&I Limited (stock code: 459) and resigned from this post in June 2007. He was appointed as executive director of the Global Energy Resources International Group Limited (stock code: 8192), a company listed on the Growth Enterprises Market ("GEM") of the Stock Exchange, in September 2007 and resigned in August 2008. He was also an executive director, authorised representative, the Chairman and compliance officer of Yunbo Digital Synergy Group Limited (formerly known as FlexSystem Holdings Limited) (stock code: 8050) during the period from May 2011 to February 2012.



// INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Yip Tai Him

Mr Yip Tai Him, age 43, was appointed as an independent non-executive director of the Company in April 2009. He is a practising accountant in Hong Kong and an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr Yip has about 20 years of experience in accounting, auditing and financial management. He is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Wing Lee Holdings Limited (stock code: 876), China Communication Telecom Services Company Limited (stock code: 8206), Vinco Financial Group Limited (stock code: 8340), China Media and Films Holdings Limited (formerly known as KH Investment Holdings Limited) (stock code: 8172), GCL-Poly Energy Holdings Limited (stock code: 3800) and Redco Properties Group Limited (stock code: 1622). He was also an independent non-executive director of Global Energy Resources International Group Limited (stock code: 8192) and Yunbo Digital Synergy Group Limited (formerly known as FlexSystem Holdings Limited) (stock code: 8050) during the period from March 2008 to January 2010 and from May 2011 to February 2012 respectively.

Mr Ng Chi Ming

Mr Ng Chi Ming, age 70, was appointed as an independent non-executive director of the Company in September 2009. He is an Election Committee Member for the HKSAR Chief Executive. Mr Ng is also an independent non-executive director of Build King Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 240). Mr Ng has over 30 years of experience in the banking industry. Mr Ng served as the chief executive officer of the former First Pacific Bank in Hong Kong. He was also an executive director and the chief executive officer of ENM Holdings Limited (stock code: 128) during the period from March 2001 to June 2009.





Mr Lung Hung Cheuk

Mr Lung Hung Cheuk, age 67, was appointed as an independent non-executive director of the Company in September 2009. Mr Lung is a retired Chief Superintendent of the Hong Kong Police Force (the "Hong Kong Police"). He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of Chief Inspector in 1980, Superintendent in 1986, Senior Superintendent in 1993 and Chief Superintendent in 1997. He has served in various police posts, namely, the Special Branch, Police Tactical Unit, and Police Public Relations Bureau as well as a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr Lung was also the secretary and the chairman of the Superintendents' Association (the "SPA") of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from Superintendents up to and including the Commissioner of the Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr Lung currently acts as an independent non-executive director of Richfield Group Holdings Limited (stock code: 183) and Sitoy Group Holdings Limited. (stock code: 1023) respectively. He was an independent non-executive director of Global Energy Resources International Group Limited (stock code: 8192) and Yunbo Digital Synergy Group Limited (formerly known as FlexSystem Holdings Limited) (stock code: 8050) during the period from September 2007 to January 2010 and from May 2011 to February 2012 respectively.

// SENIOR MANAGEMENT

Mr Ho Ming Fai

Mr Ho Ming Fai, age 54, is the Group financial controller of the Company. Mr Ho possesses more than 30 years of working experience in accounting, investment and treasury. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in January 2008.



2012 - 2013 REPORT

Beauty

Annual

2013 Annual Report



green tree

2013 Annual Report

Annual Report

Tremendous output with

love story

2013 Annual Report

iOne Financial produced over 500 annual reports, interim reports and other financial documents to the highest quality standards in 2013.

yellow book

2013 REPORT

Report

Work of outstanding quality

Report

Best Report

Annual Report



green tree

DEMETER

brown book

Wine

Annual

red book

love story

Magnetics

2013 Annual Report

Annual



Annual Report
Annual Report

Annual Report

2012 - 2013 REPORT

green tree

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brown book

2013 REPORT
Best Report

2013 Annual Report

Philosophy

2013 REPORT



red book

Beauty

2012 - 2013 REPORT

Annual Report

2013

spill



2013 Annual Report


yellow book

2012 - 2013 REPORT

Annual Report

Annual Report

Annual

Annual 

2013 Annual Report



2013 Annual Report

2013 REPORT



Annual Report

green tree

brown book

2013 REPORT

REPORT

Best Report



Annual Report



sport



Report of the Directors

The directors of iOne Holdings Limited are pleased to present their annual report, along with the audited financial statements of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the provision of financial printing services for the financial sector in Hong Kong, which mainly include the printing of IPO prospectuses, financial reports, company announcements, circulars, legal compliance documents, research reports, corporate brochures and newsletters.

The Company began its new business segment of investment property in December 2013.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2013 are set out in the Consolidated Statement of Comprehensive Income on page 47 of this report. The Board does not recommend payment of a final dividend for the year ended 31 December 2013 (2012: HK0.11 cent).

CLOSURE OF REGISTER OF MEMBERS

The registers of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming Annual General Meeting ("AGM"), all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 May 2014.

FIXED ASSETS

Details of the movements in property, plant and equipment and investment property of the Group and the Company during the year are set out in note 15 and 16 respectively in the financial statements.

SHARE CAPITAL

Details of movements of the share capital of the Company during the year are set out in note 27 in the financial statements.

DISTRIBUTABLE RESERVE

The Company's distributable reserve was HK\$43,451,000 at 31 December 2013 (2012: HK\$59,442,000).

5 YEAR SUMMARY

A summary of the Group's results for each of the five years ended 31 December 2013 and the Group's assets and liabilities as at 31 December 2009, 2010, 2011, 2012 and 2013 is set out on page 5 of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

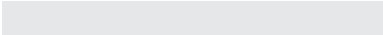
The directors of the Company during the period and up to the date of this report were:

Executive Directors:

Lee Wing Yin	Chairman and Executive Director
Lau Wai Shu	Managing Director and Executive Director

Independent Non-executive Directors:

Yip Tai Him
Ng Chi Ming
Lung Hung Cheuk



In accordance with the bye-laws of the Company, Mr Yip Tai Him and Mr Lung Hung Cheuk will retire at the forthcoming AGM by rotation and, being eligible, will offer themselves for re-election. All remaining directors will continue in office.

Mr Lee Wing Yin, Chairman and an executive director, renewed his service agreement with the Company in 2011. His appointment was for an initial term of one year commencing on 18 September 2011 and was renewable for a further period of 24 months on 17 September 2012. His emolument was adjusted from HK\$9,000 per month to HK\$9,700 per month effective from 1 January 2014 plus discretionary bonus, which is determined by his roles, experience and responsibilities in the Company. Mr Lee also has a service agreement with the Company's subsidiary, iOne Financial, for a term of 36 months starting from 1 January 2014 to 31 December 2016. During his three-year employment period, he shall be entitled to a monthly salary of HK\$380,000 and a yearly management bonus of 10% on the audited net profit after tax of iOne Financial.

Mr Lau Wai Shu, Managing Director and an executive director, renewed his service agreement with the Company in 2011. His appointment was for an initial term of one year commencing on 18 September 2011 and was renewable for a further period of 24 months on 17 September 2012. His emolument was adjusted from HK\$78,000 per month to HK\$82,000 per month with effect from 1 January 2014 plus discretionary bonus, which is determined by his roles, experience and responsibilities in the Company. Mr Lau also has a service agreement with the Company's subsidiary, iOne Financial, for a term of 36 months starting from 1 January 2014 to 31 December 2016. He is entitled to a signing bonus of HK\$4,000,000 upon execution of the service agreement pursuant to his past performance. During his three-year employment period, he shall be entitled to a monthly salary of HK\$600,000 and a yearly management bonus of 10% on the audited net profit after tax of iOne Financial.

Two of the independent non-executive directors, namely, Mr Lung Hung Cheuk and Mr Ng Chi Ming, renewed their letters of appointment with the Company for a further term of one year commencing on 18 September 2013. The letter of appointment of the independent non-executive director, Mr Yip Tai Him, was renewed for a further term of one year commencing on 8 April 2013.

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

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Company considers all of the independent non-executive directors to be independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the directors and the senior management of the Company are set out on pages 16 to 19 of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2013, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have been taken under such provisions of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

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

Name of Director	Capacity	Number of shares held	Approximate percentage of interested shares to the issued share capital of the Company (%)
Lee Wing Yin	Beneficial ownership	640,000	0.01
Lau Wai Shu	Beneficial ownership	2,000,000	0.02

Save as disclosed above, as at 31 December 2013 none of the directors or the chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have been taken under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2013, other than the interests of certain directors and the chief executive of the Company as disclosed under the section headed "Directors' and the chief executive's interests and short positions in securities" above, the interests or short positions of persons in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

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

Name of Substantial Shareholder	Capacity/ Nature of interest	Number of shares held	Approximate percentage of interested shares to the issued share capital of the Company (%)
Mr Pong	Beneficial ownership	6,675,000,000	72.55
Ms Tung Ching Yee, Helena ^(Note 1)	Interest of Spouse	6,675,000,000	72.55
Profit Allied Limited ^(Note 2)	Controlled corporation	5,712,000,000	62.09
Richfield Group Holdings Limited ^(Note 3)	Controlled corporation	400,000,000	4.35
Virtue Partner Group Limited ^(Note 4)	Controlled corporation	400,000,000	4.35

Notes:

- Ms Tung Ching Yee, Helena, is the spouse of Mr Pong, who beneficially owns 72.55% of the Company.
- Profit Allied Limited is beneficially owned as to 100% by Mr Pong. Therefore, it is deemed to be interested in the shares of which Mr Pong is deemed to be interested in for the purpose of the SFO.
- Richfield Group Holdings Limited is beneficially owned as to about 37.05% by Mr Pong.
- Richfield Group Holdings Limited is held as to about 26.93% by Virtue Partner Group Limited, which is 100% owned by Mr Pong.

be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed above, as at 31 December 2013 the directors were not aware of any other person (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to

SHARE OPTIONS

Pursuant to the resolution passed by the shareholders on 25 June 2008, the Company approved and conditionally adopted a share option scheme whereby selected classes of the participants may be granted options to subscribe for shares at the discretion of the Board. No options were granted under the share option scheme for the year ended 31 December 2013.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

Apart from what was disclosed under the heading "Directors' and chief executive's interests and short positions in the securities", at no time during the year was the Company, or any of its holding company, fellow subsidiaries and subsidiaries, a party to any arrangement enabling the directors of the Company or their respective spouses or children under 18 years of age, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUBCONTRACTORS

The percentage of sales and cost of services provided for the year attributable to the Group's major customers and subcontractors were as follows:

Sales	
– the largest customer	7.3%
– five largest customers	21.5%
Cost of services provided	
– the largest subcontractor	12.8%
– five largest subcontractors	44.1%

During the year, none of the directors, their associates, or any shareholders (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had any interest in any of the five largest customers and subcontractors of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the date of this report, and pursuant to the Listing Rules, none of the directors is considered to have interests in any business which causes, or may cause, significant competition with the business of the Group.

CONNECTED TRANSACTIONS

The related party transactions disclosed in note 32 to the consolidated financial statements constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules which, however, are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

Saved as disclosed above, no contracts of significance to which the Company, or any of its holding company, fellow subsidiaries and subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float under the Listing Rules during the year under review.

CORPORATE GOVERNANCE

The report on the Company's corporate governance is set out on pages 32 to 44 of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiries, all directors confirmed that they have complied with the Model Code during the year under review and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

REMUNERATION POLICY

The remuneration policy of the Group for its employees and directors is based on their performance, duties and responsibilities, comparable market rates and the performance of the Group. Remuneration packages typically comprise salary, housing allowances, contribution to pension schemes and bonuses relating to the profit of the relevant company. The Remuneration Committee will regularly review and determine the specific remuneration and compensation of the directors and senior management of the Group.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$3,000.

AUDIT COMMITTEE

The Group established an audit committee consisting of three independent non-executive directors, namely, Mr Yip Tai Him, Mr Ng Chi Ming and Mr Lung Hung Cheuk. Mr Yip Tai Him is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the financial reporting and effectiveness of the internal control system of the Group. The Audit Committee has reviewed the Group's final report for the year ended 31 December 2013.

AUDITOR

A resolution will be proposed at the forthcoming AGM of the Company to re-appoint the auditor, BDO Limited.

On behalf of the Board

Lee Wing Yin
Chairman

Hong Kong, 28 March 2014

Awards



OVER THE PAST YEARS, THE GROUP HAS WON A TOTAL OF 528 AWARDS*. THEY INCLUDE 11 GRAND AWARDS, 5 PLATINUM AWARDS, 111 GOLD AWARDS, 123 SILVER AWARDS, 129 BRONZE AWARDS, 135 HONORS AND OTHER SIGNIFICANT INTERNATIONAL AWARDS. FOR OUR CREATIVE ACHIEVEMENTS AT THE ARC AWARDS, THE ASTRID AWARDS, THE GALAXY AWARDS, THE MERCURY AWARDS AND THE LACP VISION AWARDS. INTERNATIONAL RECOGNITION SUCH AS THIS MOTIVATES ALL OF US AT IONE TO CONTINUE EXCELLING.

Out of the 528 international awards, 17 were prestigious international awards such as the 4 Platinum Awards at the LACP Vision Awards and 1 Champion award at the Hong Kong Print Award. Other highly respected awards include the 12 Grand awards at various MerComm competitions, such as the Best of Printing and Production Grand Award, Best of Overall Presentation – Traditional Format Grand Award, Best of Hong Kong Copywriting Grand Award, Best of Hong Kong Grand Award (twice), Best of Cover Design Grand Award (three times), Best of Design Grand Award, Best of Annual Reports – Eastern Hemisphere Grand Award (twice) and the exceptional Titanium Achievement Award and Platinum Achievement Award for Greatest Percentage of Wins. This record number of awards places iOne at the very top of the financial printing industry in Hong Kong.



ARC	iOne captured 2 Grand Awards, 12 Gold Awards, 16 Silver Awards, 9 Bronze Awards and 7 Honors at the 27th International ARC Awards out of a record-breaking 2,260 entries from 34 countries.
LACP	iOne won 4 Platinum Awards and 5 Gold Awards at the League of American Communications Professionals (LACP) Vision Awards.
HKMVC	At the Hong Kong's Most Valuable Companies Services Awards, iOne was the exclusive winner of the Most Reliable Printer Award in Asia-Pacific, consolidating iOne's leading position in the region.
MERCURY	iOne captured 1 Grand Award, 4 Gold Awards, 4 Silver Awards, 3 Bronze Awards and 2 Honors at the 27th MERCURY Excellence Awards, making us the most award-winning financial printing company in Hong Kong.
GALAXY	At the 24th International GALAXY Awards, iOne won 2 Gold Awards, 2 Silver Awards, 2 Bronze Awards and 6 Honors.
ASTRID	iOne captured 2 Gold Awards, 2 Silver Awards and 1 Bronze Award at the 23rd International ASTRID Awards.
HKPA	At the 25th Hong Kong Print Awards, iOne won 1 Honors.

Corporate Social Responsibility



Over the years, iOne has taken part in various charity events and provided donations to worthwhile organisations. As a socially responsible company, we are committed to behaving ethically and contributing to economic growth. We strive to be good corporate citizens and actively participate in socially responsible activities to help those in need.

This year, iOne was awarded the Caring Company Logo by The Hong Kong Council of Social Service, in recognition of its commitment to being a good corporate citizen. We are delighted that iOne has received the award and have renewed our commitment to ethical behaviour in our operations.

Some of the activities in which iOne participated during the year:

1. Dress Special Day
2. Happy at Work Day at Ocean Park
3. Halloween Party at Po Leung Kuk

Event Highlights



Every year at iOne, we engage our staff in a variety of recreational activities in order to promote staff morale. We are not only committed to behaving ethically and contributing to economic growth, but also to enhancing the quality of life of our staff, their families and the community. As part of this commitment, we encourage work-life balance while seeking to create a harmonious workplace and loyalty among our staff.

1. Annual Dinner – iOne’s Movie Night
2. Company Trip to Thailand
3. Christmas Party

Corporate Governance Report

CORPORATE GOVERNANCE

The Group believes that a high standard of corporate governance and ethics is critical to its continuing success and long-term growth. In order to enhance shareholder value, the Group is committed to managing its business by focusing on transparency, independence and accountability, as well as the continued development of an ethical corporate culture.

During the year under review, the Company complied with the provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules.

According to provision D.3 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company in accordance with the written terms of reference. The Board shall have the following responsibilities in performing the corporate governance duties of the Company:

- to develop and review the Group's policies and practices on corporate governance and to make recommendations;

- to review and monitor the training and continuous professional development of directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- to review the Group's compliance with the CG Code as set out in the Listing Rules and disclosure in the corporate governance report in the annual report of the Company.

To ensure continuous compliance, the Board reviews the corporate governance practices of the Company at least once a year.

BOARD OF DIRECTORS

The Board members for the year ended 31 December 2013 were:

Executive Directors

Lee Wing Yin

Lau Wai Shu

Independent Non-executive Directors

Yip Tai Him

Ng Chi Ming

Lung Hung Cheuk

The Board currently comprises five directors, including the Chairman and the Managing Director, who are executive directors, and three independent non-executive directors. During the year, the composition of the Board met the requirements of the Listing Rules that independent non-executive directors represent at least one-third of the Board. None of the independent non-executive directors has served more than nine years, who would require shareholders' approval by a separate resolution for a further appointment.

The Board meets regularly to review and discuss the strategies, policies, and financial and operating performance of the Group, and to approve the release of interim and annual results for the Group. The Board also investigates and resolves such issues as and when warranted. Board approval is required for any matters likely to have a material impact on the business operations and/or financial position of the Group. Board approval is also required on matters outside the ordinary course of business.

All directors have provided access to the senior management of the Group and the company secretary. Management provides all directors with detailed monthly financial statements to update them on the Group's performance, position and prospects. As well, management provides the directors with updated and necessary information before board meetings. The company secretary provides secretarial support to the Board and ensures adherence to Board procedures, including the observance of relevant rules and regulations applicable to the Company.

CHAIRMAN AND MANAGING DIRECTOR

Mr Lee Wing Yin is an executive director and the Chairman of the Company. He is responsible for providing advice on the overall management and strategic development of the Company and for overseeing the operation of the Board. The second executive director, Mr Lau Wai Shu, has acted as the Group's Managing Director and is responsible for the Group's overall management, corporate development and strategic planning, as well as the supervision of the Company's day-to-day operations. The segregation of duties and responsibilities between the Chairman and the Managing Director ensures a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive directors have appropriate academic backgrounds and professional qualifications, management experience, and accounting or related financial management expertise. The Company will review their appointments regularly to ensure the Board maintains a balance of skills, expertise and experience to manage the business of the Group, as well

as the ability to exercise independent judgment on issues of strategic direction, development, performance and risk management. Pursuant to the requirement of the Listing Rules, one of the independent non-executive directors is a Certified Public Accountant, who chairs the Audit Committee.

The independent non-executive directors of the Company are Mr Yip Tai Him, Mr Ng Chi Ming and Mr Lung Hung Cheuk, each with a fixed term of appointment of one year. Biographical details of the independent non-executive directors are set out on pages 18 to 19 of this annual report.

The Company has received written annual confirmation from each of its independent non-executive directors regarding their independence in compliance with the requirements of the Listing Rules. The Company considers each of its independent non-executive directors to be independent of the Company in accordance with the independence guidelines set out in the Listing Rules.

ATTENDANCE AT MEETINGS

Regular Board meetings are held at least four times a year. Special meetings of the Board will be convened whenever necessary. The Board convened a total of four times for the year ended 31 December 2013.

Details of the directors' attendance at the Board meetings, Board committee meetings and the AGM during the year were as follows:

Name of Director	Meeting Attended/Held				
	Full Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM 2013
Executive Directors					
Lee Wing Yin, Chairman	5/5	N/A	N/A	N/A	1/1
Lau Wai Shu	5/5	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Yip Tai Him	5/5	3/3	3/3	3/3	1/1
Lung Hung Cheuk	5/5	3/3	3/3	3/3	1/1
Ng Chi Ming	3/5	1/3	2/3	2/3	1/1

Saved as mentioned above, the Chairman held a meeting with the independent non-executive directors without the Managing Director present during the financial year.

DELEGATION

Based on the Company's organisational structure and operational procedures, the Board has established lines of responsibility and reporting. Duties and responsibilities in respect of the Company's daily operations, administration, and financial and risk management control are delegated to the senior management. The senior management is empowered to assume responsibility of the day-to-day management under the leadership of the Managing Director.

Three committees have been established with defined terms of reference, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Clear terms of reference have been set out specifying the duties and responsibilities of each of the committees. Each committee will make its recommendations to the Board for approval before any necessary action is taken.

DIRECTOR TRAINING

At the Company's expense, all directors are encouraged to participate in continuous professional development in order to upgrade and refresh their knowledge and skills. The Company arranges for all appropriate directors' training courses and maintains all training records. So that all directors are sufficiently aware of their duties and responsibilities, the Company has provided A Guide on Directors' Duties issued by the Companies Registry, as well as the Guidelines for Directors and Guide for Independent Non-executive Directors issued by the Hong Kong Institute of Directors.

DIRECTORS' AND OFFICERS' LIABILITIES

In compliance with the CG code, the Company has arranged for liability insurance to indemnify the directors against liabilities arising out of its corporate activities. The insurance coverage is reviewed and renewed on an annual basis.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Each director receives a copy of the Model Code at the time of his appointment. Having made specific enquiries with each director, the Company can confirm that each director has complied with the required standard of dealings and code of conduct for the year under review. The Company also followed the guidelines, on no less exacting terms than the Model Code, for securities transactions by senior management or other staff who were in possession of unpublished price sensitive information relating to the Company.

AUDIT COMMITTEE

The Group established an Audit Committee on 25 June 2008 with written terms of reference in compliance with the Listing Rules. In March 2012, the Board adopted revised terms of reference recommended by the Audit Committee. The Audit Committee consists of three independent non-executive directors, namely, Mr Yip Tai Him, Mr Lung Hung Cheuk and Mr Ng Chi Ming. Mr Yip Tai Him is the chairman of the Audit Committee.

Meetings of the Audit Committee are held not less than two times a year. A representative of the external auditor normally attends these meetings. The external auditor may request additional meetings if necessary. The Board has authorised the Audit Committee to investigate any activities within its terms of reference and obtain independent legal or professional advice as and when required. The primary duties of the Audit Committee are to review and supervise the financial reporting system and internal control procedures; to review and recommend to the Board the appointment, remuneration, independence and objectivity of the external auditor; and to review and monitor the selection process of subcontractors for printing services. The Group believes that an adequate and effective internal control system is essential to safeguard the assets of the Group as well as the long-term interests of the shareholders.

The Audit Committee has reviewed and recommended the Company's interim results announcement and interim report for the six months ended 30 June 2013. The Audit Committee has also reviewed and made recommendations on the annual results announcement and annual report for the year ended 31 December 2013, and has presented its recommendations to the Board for approval. The Audit Committee also reviewed and expressed its satisfaction with the effectiveness of the internal control system of the Group.

During the year under review, the external auditor attended the meeting of the Audit Committee to review the Group's 2012 final report and 2013 interim report. Prior to the commencement of the 2013 final audit, the Audit Committee held a pre-audit meeting with the external auditor to discuss the nature and scope of the audit, together with its reporting obligations and other audit matters.

REMUNERATION COMMITTEE

The Group established a Remuneration Committee on 25 June 2008 with written terms of reference in compliance with Appendix 14 of the Listing Rules. In March 2012, the Board adopted revised terms of reference for the Remuneration Committee. The Remuneration Committee consists of the three independent non-executive directors, namely, Mr Lung Hung Cheuk, Mr Ng Chi Ming and Mr Yip Tai Him. Mr Lung Hung Cheuk is the chairman of the Remuneration Committee. The primary function of the Remuneration Committee is to make recommendations to the Board on policy and structure, together with the remuneration packages and conditions of employment for all directors and senior management of the Group. No director is involved in determining his own remuneration. The remuneration of directors and senior management is determined with regard to individual performance and the Group's financial results. If required, the Remuneration

Committee will seek independent professional and consulting advice, at the Company's expense, so as to ensure the Board remains informed of market trends and practices.

For the year ended 31 December 2013, the Remuneration Committee held meetings to review and discuss the remuneration terms of executive directors' service contracts of the Group, and made its recommendations to the Board.

NOMINATION COMMITTEE

The Group established a Nomination Committee on 25 June 2008, which consists of the three independent non-executive directors, namely, Mr Ng Chi Ming, Mr Yip Tai Him and Mr Lung Hung Cheuk. Mr Ng Chi Ming is the chairman of the Nomination Committee. The primary function of the Nomination Committee is to recommend candidates to the Board for filling vacancies on the Board and within the senior management of the Group. In March 2012, the Board adopted revised terms of reference for the Nomination Committee.

The Nomination Committee reviewed the structure, size and composition of the Board, selected and recommended qualified and suitable persons for the Group, and assessed their independence and eligibility.

According to the Company's bye-laws, one-third of the directors are currently required (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) to retire from office by rotation at each AGM of the Company, provided that every director is subject to retirement at least once every three years. The retiring directors are eligible to offer themselves for re-election.

The Nomination Committee recommended that Mr Lung Hung Cheuk and Mr Yip Tai Him, who will both retire at the forthcoming AGM, be eligible to offer themselves for re-election. During the year, the Nomination Committee recommended implementing a board diversity policy to provide procedures and criteria for selection of candidates for directorship.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy with the aim of achieving diversity on the Company's board of directors in 2013. Selection of candidates will be based on a range of diversity perspectives including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The final decision will be based on the merit and contribution that the selected candidates bring to the Board. The Nomination Committee will review and discuss the measurable objectives for Board diversity annually and will recommend any necessary revision to the Board for its consideration and approval.

As at the date of this report, the Board's composition can be summarised by the following main diversity perspectives:

Board members

5				
4			60-70	
3	Male	Chinese	50-60	4-5 years
2			40-50	
1				
	Gender	Ethnicity	Age	Length of service

Board perspectives

AUDITOR'S REMUNERATION

BDO Limited is the auditor of the Company. The audit fee of the Group for the year ended 31 December 2013 was approximately HK\$553,000. No non-audit service fees were incurred for tax related services or other review services for the year ended 31 December 2013.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES

It is the responsibility of the Board to present the annual and interim reports, both of which provide a true and accurate reporting of the Company's activities. The Board has selected and applied generally accepted accounting policies in Hong Kong with fair, prudent and reasonable judgments and estimates in order to prepare the consolidated financial statements on a going concern basis. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue to perform as a going concern. The Board is responsible for maintaining proper accounting records that reflect the financial position of the Group with reasonable accuracy. BDO Limited, the independent auditor of the Group, is responsible for expressing an opinion on the financial statements based on their audit and reports solely to the shareholders of the Company.

COMPANY SECRETARY

Mr Lee Wing Yin, who is an associate member of the Hong Kong Institute of Certified Public Accountants, has acted as the company secretary since July 2009. He is responsible to the Board for ensuring proper Board procedures and discharging the Board's obligations pursuant to the Listing Rules and other regulations. The company secretary has provided his training records to the Company, which showed he had attended no less than 15 hours of relevant professional training during the year.

INTERNAL CONTROL SYSTEM

The Board is responsible for establishing, maintaining and reviewing the system of internal control of the Group. In order to safeguard shareholders' interests and the Group's assets, the Audit Committee is authorised to review regularly the effectiveness and adequacy of control procedures for the financial, operational, compliance and risk management functions. For the financial year ended 31 December 2013, the Audit Committee concluded it was satisfied with the effectiveness and adequacy of the Company's internal control system.

SHAREHOLDERS' RIGHTS

- i. **Procedure for shareholders to convene an extraordinary general meeting:**
Shareholder(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such a requisition. This meeting shall be held within two months after the deposit of the requisition. If, within 21 days of the deposit, the Board fails to proceed to convene such a meeting, the requisitioner(s) himself (themselves) may do so in accordance with Section 74(3) of the Company Act of Bermuda.

ii. Procedure for shareholders to propose a person for election as a director at a general meeting:

If a shareholder wishes to propose a person (the "Candidate") for election as a director at a general meeting, he/she shall deposit a written notice (the "Notice") at the Company's head office in Hong Kong at Unit 1204-6, 12th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong. The Notice (a) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules and his/her contact details; and (b) must be signed by the shareholder concerned, including the information/documents to verify the identity of the shareholder and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal data. The period for lodgement of the Notice shall commence no earlier than the date after the dispatch of the notice of the general meeting and end no later than seven days prior to the date of such a general meeting. To ensure the Company's shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a director, without adjourning

the general meeting, shareholders are urged to submit and lodge the Notice as soon as practicable, say at least 15 business days prior to the date of the general meeting appointed for the election.

INVESTOR RELATIONS

The Company endeavours to promote good relations and channels of communication with investors. The Company realises that transparency and timely disclosure of corporate information are essential for enhancing investors' understanding of the Group's financial position and performance. The Group has a shareholder communication policy in place to strengthen communication procedures with the shareholders.

The Company's AGM provides a channel for direct communication between the Board and the shareholders. An AGM circular of proposed resolutions is delivered to all shareholders no less than 21 days prior to the meeting. Comments and questions from shareholders are welcome and may be presented to the Board at the AGM. The directors, company secretary, all chairmen of the committees of the Board, and the external auditor will be present to answer any questions at the AGM. In addition, shareholders and investors are welcome to submit their enquiries in writing directly to the Board by: (a) mail to the Company's principal place of business, (b) by fax on (852) 2802 0055 or (c) by email at inquiry@ione.com.hk.

All financial information and other disclosures, including interim results, final results, announcements, circulars, corporate governance policies, bye-laws and other notices of the Company are available on the Stock Exchange's website at www.hkex.com.hk and the Company's website at www.ioneholdings.com.

Independent Auditor's Report



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TO THE SHAREHOLDERS OF IONE HOLDINGS LIMITED (卓智控股有限公司)

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of iOne Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 86, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited

Certified Public Accountants

Lee Ka Leung, Daniel

Practising Certificate Number P01220

Hong Kong, 28 March 2014

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	2013 HK\$'000	2012 HK\$'000
Turnover	6	130,463	125,925
Cost of services provided		(63,757)	(58,540)
Gross profit		66,706	67,385
Other income and gains	8	8,347	5,985
Selling and distribution expenses		(11,421)	(10,119)
Administrative expenses		(25,122)	(25,926)
Impairment loss on available-for-sale investments		(13,166)	–
Profit before income tax expense	9	25,344	37,325
Income tax expense	12	(5,442)	(5,435)
Profit for the year		19,902	31,890
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Fair value changes on available-for-sale investments			
– Fair value changes arising during the year		1,967	8,336
– Amounts reclassified to profit or loss upon disposals		(1,020)	–
– Amounts reclassified to profit or loss upon impairment		3,270	–
Other comprehensive income for the year		4,217	8,336
Total comprehensive income for the year attributable to owners of the Company		24,119	40,226
Earnings per share			
– Basic and diluted	14	HK0.22 cent	HK0.35 cent

Consolidated Statement of Financial Position

As at 31 December 2013

	Notes	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment	15	4,457	2,795
Investment property	16	4,552	–
Available-for-sale investments	18	73,084	98,826
		82,093	101,621
Current assets			
Work in progress		2,448	1,617
Trade receivables	19	62,451	37,723
Other receivables, deposits and prepayments		8,133	6,575
Amount due from a related company	20	192	197
Income tax recoverable		–	496
Cash and bank balances	21	156,237	139,336
		229,461	185,944
Current liabilities			
Trade payables	22	16,507	8,388
Other payables and accruals		13,257	11,410
Amount due to a related company	23	228	172
Deferred income	25	70	313
Income tax payable		426	360
		30,488	20,643
Net current assets		198,973	165,301
Total assets less current liabilities		281,066	266,922
Non-current liabilities			
Deferred tax liabilities	26	180	35
Net assets		280,886	266,887
Capital and reserves			
Share capital	27	2,300	2,300
Reserves		278,586	264,587
Total equity		280,886	266,887

On behalf of the Board

Lee Wing Yin
Chairman

Lau Wai Shu
Director

Statement of Financial Position

As at 31 December 2013

	Notes	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment	15	96	238
Investments in subsidiaries	17	69,902	69,902
Available-for-sale investments	18	73,084	98,826
		143,082	168,966
Current assets			
Other receivables, deposits and prepayments		1,554	1,837
Cash and bank balances	21	42,621	126,698
		44,175	128,535
Current liabilities			
Other payables and accruals		546	574
Income tax payable		38	235
Amounts due to subsidiaries	24	26,982	125,212
		27,566	126,021
Net current assets		16,609	2,514
Total assets less current liabilities		159,691	171,480
Non-current liabilities			
Deferred tax liabilities		–	15
Net assets		159,691	171,465
Capital and reserves			
Share capital	27	2,300	2,300
Reserves	29	157,391	169,165
Total equity		159,691	171,465

On behalf of the Board

Lee Wing Yin
Chairman

Lau Wai Shu
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Share capital	Share premium	Special reserve	Available- for-sale investments reserve	Retained profits	Total
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012	2,300	39,914	4,451	(7,971)	198,087	236,781
Profit for the year	–	–	–	–	31,890	31,890
Other comprehensive income	–	–	–	8,336	–	8,336
Total comprehensive income	–	–	–	8,336	31,890	40,226
Dividend approved in respect of previous year	–	–	–	–	(10,120)	(10,120)
At 31 December 2012 and 1 January 2013	2,300	39,914	4,451	365	219,857	266,887
Profit for the year	–	–	–	–	19,902	19,902
Other comprehensive income	–	–	–	4,217	–	4,217
Total comprehensive income	–	–	–	4,217	19,902	24,119
Dividend approved in respect of previous year	–	–	–	–	(10,120)	(10,120)
At 31 December 2013	2,300	39,914	4,451	4,582	229,639	280,886

Notes:

- (a) Share premium represents amount subscribed for share capital in excess of nominal value.
- (b) 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 group reorganisation (the "Reorganisation") which was to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	2013 HK\$'000	2012 HK\$'000
Cash flows from operating activities		
Profit before income tax expense	25,344	37,325
Adjustments for:		
Interest income	(4,421)	(4,273)
Dividend income	(1,396)	(1,320)
Gain on disposal of available-for-sale investments	(1,375)	–
Depreciation of property, plant and equipment	1,594	1,754
Loss on written-off of property, plant and equipment	2	120
Written-off of bad debt	–	413
Impairment loss on available-for-sale investments	13,166	–
Operating profit before working capital changes	32,914	34,019
Increase in work in progress	(831)	(454)
Increase in trade receivables	(24,728)	(8,313)
(Increase)/decrease in other receivables, deposits and prepayments	(1,558)	94
Decrease in amount due from a related company	5	1
Increase/(decrease) in trade payables	8,119	(260)
Increase/(decrease) in other payables and accruals	1,847	(9,654)
Increase/(decrease) in amount due to a related company	56	(195)
Decrease in deferred income	(243)	(298)
Cash generated from operations	15,581	14,940
Hong Kong Profits Tax paid	(4,735)	(319)
Net cash generated from operating activities	10,846	14,621
Cash flows from investing activities		
Interest received	4,421	4,273
Dividend received	1,396	1,320
Purchase of property, plant and equipment	(3,258)	(1,013)
Purchase of investment property	(4,552)	–
(Increase)/decrease in fixed deposits with original maturities of over three months	(2,472)	42,047
Proceeds from disposal of available-for-sale investments	18,168	–
Acquisition of available-for-sale investments	–	(48,108)
Net cash generated from/(used in) investing activities	13,703	(1,481)
Net cash used in financing activities		
Dividends paid to owners of the Company	(10,120)	(10,120)
Net increase in cash and cash equivalents	14,429	3,020
Cash and cash equivalents at beginning of the year	106,943	103,923
Cash and cash equivalents at end of the year (note 21)	121,372	106,943

Notes to the Financial Statements

31 December 2013

1. GENERAL

iOne Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. Its shares are listed on the Stock Exchange. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Units 1204–6, 12th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in the provision of financial printing services and property investments in Hong Kong.

The Company’s parent and ultimate parent is Profit Allied Limited (incorporated in the British Virgin Islands (“BVI”).

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

(a) Adoption of new/revised HKFRSSs – effective 1 January 2013

HKFRSSs (Amendments)	Annual Improvements 2010–2012 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

The adoption of these new/revised standards and interpretations has no material impact on the Group’s financial statements.

(b) New/revised HKFRSSs that have been issued but are not yet effective

The following new/revised HKFRSSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets ¹
HKFRS 9	Financial Instruments*
HKFRSSs (Amendments)	Annual Improvements 2010–2012 Cycle ³
HKFRSSs (Amendments)	Annual Improvements 2011–2013 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

* No mandatory effective date yet determined but is available for immediate adoption

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

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

(b) New/revised HKFRSs that have been issued but are not yet effective – Continued Amendments to HKAS 36 – Impairment of Assets – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for investment properties and certain available-for-sale investments, which are measured at fair values as explained in the accounting policies set out below.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) **Business combination and basis of consolidation** (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) **Subsidiaries**

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	2 to 5 years
Office equipment	2 to 5 years
Furniture and fixtures	2 to 5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

(e) Leases

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

The Group as lessee

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

(f) Financial instruments

(i) Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) **Financial instruments** (Continued)

(i) **Financial assets** (Continued)

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

(ii) **Impairment loss on financial assets**

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of financial asset when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) **Financial instruments** (Continued)

(ii) **Impairment loss on financial assets** (Continued)

For available-for-sale investments

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

(iii) **Financial liabilities at amortised cost**

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

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

(iv) **Effective interest method**

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

(v) **Equity instruments**

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

(vi) **Derecognition**

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Work in progress

Work in progress represents costs incurred on uncompleted financial printing projects that comprise costs of direct materials, subcontractors and labour directly engaged in providing the services and attributable overheads. Work in progress is stated at lower of cost and net realisable value.

(h) Revenue recognition

Revenue from provision of financial printing services is recognised when the services are provided and the transactions can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group.

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Interest income is recognised on a time basis on the principal outstanding at the applicable interest rate.

(i) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) **Income taxes** (Continued)

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

(j) **Foreign currency**

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

(k) **Employee benefits**

Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(l) **Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) **Related parties** (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. KEY SOURCE OF ESTIMATION UNCERTAINTY AND JUDGMENT

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

Impairment of trade receivables

In determining whether there is objective evidence of impairment loss, the Group takes into consideration the credit history of the customers and the current market conditions. The amount of the impairment loss is measured as the difference between the carrying amount of the trade receivables and the present value of estimated future cash flows discounted at the original effective interest rate of the trade receivables. Management reassesses the adequacy of impairment on a regular basis. Where the actual cash flows are less than expected, a material impairment loss may arise.

Impairment of available-for-sale listed equity investments

Management reviews available-for-sale listed equity investments at the end of each reporting period to assess whether they are impaired. The Group records impairment charges on available-for-sale listed equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, management evaluates, among other factors, historical market price movements and the duration and extent to which the fair value of an investment is less than its cost.

Impairment of available-for-sale unlisted equity investment

Management reviews available-for-sale unlisted equity investment at the end of each reporting period to assess whether they are impaired. The Group records the impairment charges when there is objective evidence that an impairment loss has been incurred. The amount of impairment loss is measured as the difference between the carrying amount of the assets and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Management reviews the latest available financial information for the unlisted equity investment to assess any impairment occurs.

5. KEY SOURCE OF ESTIMATION UNCERTAINTY AND JUDGMENT (Continued)

Fair value measurement

The investment property and certain available-for-sale investments included in the Group's financial statements require measurement at, and / or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detailed information in relation to the fair value measurement of the investment property and certain available-for-sale investments, please refer to the notes 16 and 18 respectively.

6. TURNOVER

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

	2013	2012
	HK\$'000	HK\$'000
Financial printing services:		
– Printing and translation	119,157	113,572
– Advertising	11,306	12,353
	130,463	125,925

7. SEGMENT INFORMATION

The chief operating decision-maker of the Group has been identified as the executive directors of the Company. In December 2013, in addition to the existing business segment, financial printing services and investments holding, the Group has established a new business segment, property investment, by acquiring an investment property to expand its business activities. The executive directors regularly review revenue and operating result derived from the two business segments and considered them separate reportable segments. The segments are managed separately as each business segment offers different services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Financial printing services and investments holding – provision of financial printing and translation services and investments holding;
- Property investment – property rental.

(a) Business segments

	Financial printing services and investments holding		Property investment		Total	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	130,463	125,925	–	–	130,463	125,925
Inter-segment revenue	–	–	–	–	–	–
Reportable segment revenue	130,463	125,925	–	–	130,463	125,925
Reportable segment profit/(loss)	25,355	37,325	(11)	–	25,344	37,325
Depreciation	1,594	1,754	–	–	1,594	1,754
Income tax expense	5,442	5,435	–	–	5,442	5,435
Reportable segment assets	307,002	287,565	4,552	–	311,554	287,565
Additions to non-current assets	3,258	1,013	4,552	–	7,810	1,013
Reportable segment liabilities	30,667	20,678	1	–	30,668	20,678

(b) Geographic information

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

Information about a major customer

None of the Group's customers had individually accounted for over 10% of the Group's revenue for the years ended 31 December 2013 and 2012.

8. OTHER INCOME AND GAINS

	2013	2012
	HK\$'000	HK\$'000
Interest income:		
– bank deposits	2,367	2,564
– corporate bonds	2,054	1,709
	4,421	4,273
Dividend income	1,396	1,320
Exchange gains, net	970	391
Gain on disposal of available-for-sale investments	1,375	–
Bad debts recovered	184	–
Others	1	1
	8,347	5,985

9. PROFIT BEFORE INCOME TAX EXPENSE

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

	2013	2012
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment (note 15)	1,594	1,754
Auditor's remuneration	553	533
Loss on write-off of property, plant and equipment	2	120
Operating lease rentals for rented office premises and equipment	12,187	12,940
Impairment loss on available-for-sale investments	13,166	–
Staff costs (note 10)	40,251	37,027
Written-off of bad debt	–	413

10. STAFF COSTS

	2013	2012
	HK\$'000	HK\$'000
Staff costs (including directors) comprise:		
Salaries, commissions, bonuses and other allowances	38,821	35,662
Retirement benefits scheme contributions	1,430	1,365
	40,251	37,027

11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of the emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

	2013	2012
	HK\$'000	HK\$'000
Fees	150	150
Salaries, commissions and other allowances	1,044	1,008
Bonuses (note)	174	150
Retirement benefits scheme contributions	20	20
	1,388	1,328

The emoluments of each of the directors during the years ended 31 December 2013 and 2012 are as follows:

	Fees	Salaries, commissions and other allowances	Bonuses	Retirement benefits scheme contributions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2013					
<i>Executive directors</i>					
Lau Wai Shu	–	936	156	15	1,107
Lee Wing Yin	–	108	18	5	131
<i>Independent non-executive directors</i>					
Lung Hung Cheuk	50	–	–	–	50
Ng Chi Ming	50	–	–	–	50
Yip Tai Him	50	–	–	–	50
	150	1,044	174	20	1,388

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

(a) Directors' emoluments (Continued)

	Fees HK\$'000	Salaries, commissions and other allowances HK\$'000	Bonuses HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Year ended 31 December 2012					
<i>Executive directors</i>					
Lau Wai Shu	–	900	150	14	1,064
Lee Wing Yin	–	108	–	6	114
<i>Independent non-executive directors</i>					
Lung Hung Cheuk	50	–	–	–	50
Ng Chi Ming	50	–	–	–	50
Yip Tai Him	50	–	–	–	50
	150	1,008	150	20	1,328

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

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

(b) Five highest-paid employees

Of the five employees with the highest emoluments in the Group, one (2012: one) was director of the Company whose emoluments are included in note 11(a) above. The emoluments of the remaining four (2012: four) employees were as follows:

	2013	2012
	HK\$'000	HK\$'000
Salaries, commissions and other allowances	7,019	6,391
Retirement benefits scheme contributions	59	55
	7,078	6,446

Their emoluments were within the following bands:

	2013	2012
	No. of	No. of
	employees	employees
HK\$		
Nil – 1,000,000	1	1
1,500,001–2,000,000	2	2
2,000,001–2,500,000	1	1

No emoluments have been paid by the Group to any of the directors or the five highest paid employees as an inducement to join or upon joining the Group or as a compensation for loss of office.

The emoluments paid or payable to member of senior management was within the following band:

	2013	2012
	No. of	No. of
	employee	employee
HK\$		
Nil – 1,000,000	1	1

12. INCOME TAX EXPENSE

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

	2013	2012
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
– provision for the year	5,308	5,533
– over provision in respect of prior years	(11)	(26)
	5,297	5,507
Deferred tax (note 26)	145	(72)
Income tax expense	5,442	5,435

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year.

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

	2013	2012
	HK\$'000	HK\$'000
Profit before income tax expense	25,344	37,325
Tax calculated at the Hong Kong Profits Tax rate of 16.5% (2012: 16.5%)	4,181	6,159
Tax effect of income not subject to tax	(951)	(709)
Tax effect of expenses not deductible for tax purpose	2,229	45
Over provision in respect of prior years	(11)	(26)
Utilisation of tax losses previously not recognised	–	(34)
Others	(6)	–
Income tax expense	5,442	5,435

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company includes a loss of HK\$11,567,000 (2012: loss of HK\$82,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

	2013	2012
	HK\$'000	HK\$'000
Loss which has been dealt with in the Company's financial statements	(11,567)	(82)
Management fee from subsidiaries	5,915	5,901
Financial printing and advertising charges to subsidiaries	(275)	(203)
Service fee and software rental charges from subsidiaries	56	51
The Company's (loss)/profit for the year (note 29)	(5,871)	5,667

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$19,902,000 (2012: HK\$31,890,000) and 9,200,000,000 (2012: 9,200,000,000) shares in issue during the year.

Diluted earnings per share equals to basic earnings per share, as there are no potential dilutive ordinary shares outstanding during the years ended 31 December 2013 and 2012.

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Total HK\$'000
Cost				
At 1 January 2012	5,717	7,290	1,568	14,575
Additions	214	723	76	1,013
Disposals	(320)	(153)	–	(473)
At 31 December 2012 and 1 January 2013	5,611	7,860	1,644	15,115
Additions	–	83	3,175	3,258
Disposals	–	(3)	–	(3)
At 31 December 2013	5,611	7,940	4,819	18,370
Accumulated depreciation				
At 1 January 2012	4,437	5,099	1,383	10,919
Provided for the year (note 9)	631	1,024	99	1,754
Eliminated on disposals	(203)	(150)	–	(353)
At 31 December 2012 and 1 January 2013	4,865	5,973	1,482	12,320
Provided for the year (note 9)	341	807	446	1,594
Eliminated on disposals	–	(1)	–	(1)
At 31 December 2013	5,206	6,779	1,928	13,913
Net book value				
At 31 December 2013	405	1,161	2,891	4,457
At 31 December 2012	746	1,887	162	2,795

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Total HK\$'000
Cost				
At 1 January 2012, 31 December 2012, 1 January 2013 and 31 December 2013	267	341	108	716
Accumulated depreciation				
At 1 January 2012	160	110	65	335
Provided for the year	54	68	21	143
At 31 December 2012 and 1 January 2013	214	178	86	478
Provided for the year	52	68	22	142
At 31 December 2013	266	246	108	620
Net book value				
At 31 December 2013	1	95	–	96
At 31 December 2012	53	163	22	238

16. INVESTMENT PROPERTY

	2013 HK\$'000
Group	
Fair value	
At 1 January	–
Additions	4,552
At 31 December	4,552

The fair value of investment property is a level 2 recurring fair value measurement.

The Group's investment property was acquired on 30 December 2013. The transaction price was supported by a valuation carried out by Ascent Partners Valuation Service Limited, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation applied the direct comparison method, which was based on market observable transactions of similar properties and adjusted to reflect the condition and locations of the subject property. The fair value of the reporting date was based on the transaction price as the property was recently acquired.

Investment property included land in Hong Kong with medium-term lease.

17. INVESTMENTS IN SUBSIDIARIES

	2013 HK\$'000	2012 HK\$'000
Unlisted shares, at cost	69,902	69,902

Details of the subsidiaries at the end of reporting period are as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
Miracle View Group Ltd	BVI/Hong Kong	100 no par value registered shares	100%	–	Investment holding
Rising Win Ltd	BVI/Hong Kong	1 no par value registered share	–	100%	Investment holding
Rich Partners Holdings Limited	BVI/Hong Kong	100 ordinary shares of US\$1 each	–	100%	Investment holding
iOne Financial Press Limited	Hong Kong	10,000,000 ordinary shares of HK\$1 each	–	100%	Provision of financial printing services
iOne (Regional) Financial Press Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Inactive
RFP Holdings Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Business not yet commenced
RFP Financial Press Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Business not yet commenced
Richroad Group Limited	BVI/Hong Kong	1 no par value registered share	–	100%	Investment holding

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Issued and fully paid share capital	Attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
iOne Translation Company Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Provision of translation services
Rosy Season Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Investment holding
iOne (International) Financial Press Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Business not yet commenced
Data Express Holdings Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Investment holding
iOne Hong Kong Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Business not yet commenced
Modern Silver Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Business not yet commenced
Value Point Global Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Investment holding
Access Business Center Limited	Hong Kong	1 ordinary share of HK\$1	–	100%	Business not yet commenced
Rapid Swift Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Investment holding
Wealth Porter Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Property investment
Remedy Global Limited	BVI/Hong Kong	1 ordinary share of US\$1	–	100%	Business not yet commenced

None of the subsidiaries of the Company had issued any debt securities at 31 December 2013.

18. AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company	
	2013	2012
	HK\$'000	HK\$'000
Listed equity investments:		
– in Hong Kong	15,842	14,693
– outside Hong Kong	7,283	10,689
	23,125	25,382
Listed corporate bonds:		
– in Hong Kong	23,128	26,733
– outside Hong Kong	16,720	21,631
	39,848	48,364
Unlisted corporate bonds	3,780	8,891
Unlisted mutual fund	6,331	6,293
Unlisted equity investment	–	9,896
	73,084	98,826

Movements of the carrying amount of available-for-sale investments during the year are as follows:

	Group and Company	
	2013	2012
	HK\$'000	HK\$'000
At 1 January	98,826	42,382
Additions	–	48,108
Disposals	(17,813)	–
Investment loss recognised	(9,896)	–
Net fair value gain on available-for-sale investments	1,967	8,336
At 31 December	73,084	98,826

Listed equity securities and corporate bonds with carrying amounts of HK\$23,125,000 (2012: HK\$25,382,000) and HK\$39,848,000 (2012: HK\$48,364,000) respectively are measured at fair value. The fair values have been determined based on their quoted prices in active markets at the reporting date.

18. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Unlisted corporate bonds and mutual fund with carrying amounts of HK\$3,780,000 (2012: HK\$8,891,000) and HK\$6,331,000 (2012: HK\$6,293,000) respectively are measured at fair value. The fair values have been determined based on their quoted prices from brokers at the reporting date.

The unlisted equity investment is measured at cost less impairment at the end of reporting period because it does not have quoted market price in an active market and the directors are of the opinion that its fair value cannot be measured reliably. The directors intended to hold it for long term investment purpose.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group and Company			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
At 31 December 2013				
Listed equity investments	23,125	–	–	23,125
Listed corporate bonds	39,848	–	–	39,848
Unlisted corporate bonds	–	3,780	–	3,780
Unlisted mutual fund	–	6,331	–	6,331
	62,973	10,111	–	73,084

	Group and Company			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
At 31 December 2012				
Listed equity investments	25,382	–	–	25,382
Listed corporate bonds	48,364	–	–	48,364
Unlisted corporate bonds	–	8,891	–	8,891
Unlisted mutual fund	–	6,293	–	6,293
	73,746	15,184	–	88,930

There have been no significant transfers between levels 1 and 2 in the reporting period.

19. TRADE RECEIVABLES

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

	Group	
	2013	2012
	HK\$'000	HK\$'000
0–90 days	33,011	22,099
91–180 days	10,462	11,516
181–270 days	13,394	2,838
271–365 days	1,643	1,098
Over 365 days	3,941	172
	62,451	37,723

The ageing analysis of trade receivables based on the due date at the end of reporting period is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Neither past due nor impaired	15,430	8,006
1–90 days past due	24,017	21,230
91–180 days past due	13,966	5,219
181–270 days past due	4,988	3,004
271–365 days past due	3,964	146
Over 365 days past due	86	118
Trade receivables that are past due but not impaired	47,021	29,717
	62,451	37,723

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

20. AMOUNT DUE FROM A RELATED COMPANY

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

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

21. CASH AND BANK BALANCES

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Cash at bank and on hand	25,305	18,524	7,756	6,887
Fixed deposits with original maturities of three months or less	96,067	88,419	–	87,417
Fixed deposits with original maturities of over three months	34,865	32,393	34,865	32,394
Cash and bank balances in the statement of financial position	156,237	139,336	42,621	126,698
Less: Fixed deposits with original maturities of over three months	(34,865)	(32,393)		
Cash and cash equivalents in the consolidated statement of cash flows	121,372	106,943		

At 31 December 2013, the fixed deposits with original maturities of three months or less carried fixed interest on prevailing market rates of 1.2% to 3.3% (2012: 1.1% to 3.3%) per annum while the fixed deposits with original maturities of over three months carried fixed interest on prevailing market rates of 1.5% to 3.6% (2012: 1.3% to 3.35%) per annum.

22. TRADE PAYABLES

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

	Group	
	2013	2012
	HK\$'000	HK\$'000
0–90 days	9,514	6,031
91–180 days	5,406	1,463
181–365 days	551	445
Over 365 days	1,036	449
	16,507	8,388

23. AMOUNT DUE TO A RELATED COMPANY

A director of the Company is also director of the related company.

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

24. AMOUNTS DUE TO SUBSIDIARIES

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

25. DEFERRED INCOME

Deferred income represented the aggregate benefit of incentives of rent-free period for the agreement of operating leases provided by the lessors to the Group. It is recognised as a reduction of rental expense in the statement of comprehensive income over the lease terms on a straight-line basis.

26. DEFERRED TAX

Deferred tax recognised in the statement of financial position and movements during the year are as follows:

	Group Accelerated tax depreciation
	HK\$'000
At 1 January 2012	107
Credit to profit or loss (note 12)	(72)
At 31 December 2012 and 1 January 2013	35
Charge to profit or loss (note 12)	145
At 31 December 2013	180

27. SHARE CAPITAL

(a) Authorised and issued share capital

	2013	2012
	HK\$'000	HK\$'000
Authorised:		
12,000,000,000 (2012: 12,000,000,000) ordinary shares of HK\$0.00025 each (2012: HK\$0.00025 each)	3,000	3,000
Issued and fully paid:		
9,200,000,000 (2012: 9,200,000,000) ordinary shares of HK\$0.00025 each (2012: HK\$0.00025 each)	2,300	2,300

(b) Capital risk management

During the year, the Group's strategy, which was unchanged from 2012, was to manage its capital to ensure that the Group entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of capital and reserves of the Group. At 31 December 2013, no external debts were raised by the Group.

The directors of the Company review the capital structure regularly. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital, payment of dividends, new share issues as well as raising of bank borrowings.

28. SHARE OPTION SCHEME

Pursuant to the written resolutions passed by the shareholders of the Company on 25 June 2008, the Company adopted a share option scheme (the "Share Option Scheme"). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Share Option Scheme, the directors of the Company may, at their absolute discretion, offer eligible participants, being, employees or executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and suppliers, consultants and advisers who will provide or have provided services to the Group, options to subscribe for shares in the Company representing up to maximum 10% of the shares in issue as at the date of commencement of listing of shares of the Company on the Stock Exchange and subject to renewal with shareholders' approval. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the Company's issued share capital, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HK\$5,000,000 must be approved by the Company's shareholders.

Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will be not less than the highest of the closing price of the Company's shares on the date of grant, the average closing prices of the Company's shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

No option has been granted by the Company under the Share Option Scheme since its adoption and up to 31 December 2013.

29. RESERVES

Company

	Share premium	Contributed surplus	Available- for-sale investments reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012	39,756	69,602	(7,971)	63,895	165,282
Profit for the year (note 13)	–	–	–	5,667	5,667
Other comprehensive income	–	–	8,336	–	8,336
Total comprehensive income	–	–	8,336	5,667	14,003
Dividend approved in respect of previous year	–	–	–	(10,120)	(10,120)
At 31 December 2012 and 1 January 2013	39,756	69,602	365	59,442	169,165
Loss for the year (note 13)	–	–	–	(5,871)	(5,871)
Other comprehensive income	–	–	4,217	–	4,217
Total comprehensive income	–	–	4,217	(5,871)	(1,654)
Dividend approved in respect of previous year	–	–	–	(10,120)	(10,120)
At 31 December 2013	39,756	69,602	4,582	43,451	157,391

The contributed surplus of the Company represents the difference between the consolidated net assets of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the Reorganisation.

30. DIVIDEND

	Company	
	2013	2012
	HK\$'000	HK\$'000
Final, proposed – nil (2012: HK\$0.0011) per share	–	10,120

At a meeting held on 28 March 2014, the directors of the Company do not recommend any payment of final dividend.

The proposed dividend for the year ended 31 December 2012 is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ended 31 December 2013.

31. OPERATING LEASES

As lessee

The Group leases a number of office premises and office equipment under operating leases. The leases generally run for an initial period of two to five years. None of the leases includes contingent rentals.

At the end of reporting period, the Group was committed to make the following future minimum lease payments in respect of rented office premises and equipment under non-cancellable operating leases, which fall due as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Not later than one year	13,409	12,445
Later than one year and not later than five years	24,392	37,668
	37,801	50,113

32. RELATED PARTY TRANSACTIONS

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

	2013	2012
	HK\$'000	HK\$'000
Rental expenses to a related company (note a)	–	1,088
Printing income from related companies (notes a & b)	243	304
Translation fee to a related company (notes a & b)	835	575

Notes:

(a) A controlling shareholder of the Company is also controlling shareholder of the related companies.

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

Compensation of key management personnel

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

	2013	2012
	HK\$'000	HK\$'000
Short-term benefits	1,940	1,880
Post-employment benefits	35	34
	1,975	1,914

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

33. FINANCIAL RISK MANAGEMENT

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

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

(a) Credit risk

The Group has no significant concentrations of credit risk with exposure spreading over a large number of counterparties and customers. In order to minimise the credit risk, management monitors the level of exposure to ensure that follow-up actions are taken to recover overdue debts. In addition, management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers the Group does not expose to significant credit risk.

The credit risk on bank deposits is limited because the counterparties have high credit ratings. Management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents to meet its liquidity requirements in the short and longer term. The Group's financial liabilities, including trade payables, other payables and accruals and amount due to a related company, mature in less than one year and most of them are repayable on demand.

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The Group currently does not use any derivative contracts to hedge its loans to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arises.

Sensitivity analysis

At 31 December 2013 and 2012, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have insignificant effects on the Group's profit for the years ended 31 December 2013 and 2012.

33. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk

The Group carries out certain of its transactions in United States dollars ("US\$") and certain of its bank balances, listed equity investments, corporate bonds and unlisted mutual fund are denominated in Renminbi ("RMB"), Singapore Dollar ("SGD") and US\$, which expose the Group to foreign currency risk. Management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Group's material monetary assets that are denominated in foreign currencies at the end of reporting period are as follows:

	Assets	
	2013	2012
	HK\$'000	HK\$'000
US\$	23,710	19,707
SGD	7,541	11,243
RMB	68,367	63,566

Sensitivity analysis

The following table indicates the approximate change in the Group's profit for the year in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. A positive number below indicates an increase in profit or decrease in loss.

	Effect on profit for the year	
	2013	2012
	HK\$'000	HK\$'000
RMB to HK\$:		
Appreciates by 3% (2012: 3%)	2,051	1,907
Depreciates by 3% (2012: 3%)	(2,051)	(1,907)
SGD to HK\$:		
Appreciates by 5% (2012: 5%)	377	562
Depreciates by 5% (2012: 5%)	(377)	(562)

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of reporting period and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, as HK\$ is pegged to US\$, management does not expect any significant movements in the US\$/HK\$ exchange rate. The analysis is performed on the same basis for 2012.

33. FINANCIAL RISK MANAGEMENT (Continued)

(e) Price risk

The Group is exposed to price risk through its investments in listed equity investments, corporate bonds and unlisted mutual fund. The management closely keeps watch of the price changes and takes appropriate action when necessary.

Sensitivity analysis

If the prices of the respective investments had been 10% higher/lower, the available-for-sale investments reserve would increase/decrease by HK\$7,308,000(2012: HK\$8,893,000).

34. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of financial assets and liabilities as defined in Note 4(f):

	Group		Company	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets				
Loans and receivables	225,656	182,277	43,434	127,791
Available-for-sale financial assets	73,084	98,826	73,084	98,826
Financial liabilities				
Financial liabilities measured at amortised cost	24,791	15,459	27,528	125,786

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2014.

iOne Holdings Limited
(incorporated in Bermuda with limited liability)
Stock code: 982

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