

Notes:

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting".

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are the same as those used in the audited financial statements for the year ended 31 March, 2002.

The following SSAPs issued by the Hong Kong Society of Accountants are effective for the Group's accounting period commencing on 1 April, 2002:

SSAP 1 (Revised)	:	"Presentation of Financial Statements"
SSAP 11 (Revised)	:	"Foreign Currency Translation"
SSAP 15 (Revised)	:	"Cash Flow Statements"
SSAP 25 (Revised)	:	"Interim Financial Reporting"
SSAP 34	:	"Employee Benefits"

The main revision to SSAP 1 is to change the requirements from presenting a statement of recognised gains and losses to a statement of changes in equity. The condensed consolidated statement of changes in equity for the current interim period and the comparative figures have been presented in accordance with this revised SSAP.

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. This revised SSAP has had no major impact on the condensed consolidated financial statements for the current interim period.

The main revision to SSAP 15 is to classify cash flows during the period into operating, investing and financing activities. The condensed consolidated cash flow statements for the current interim period and the comparative figures have been presented in accordance with this revised SSAP.

SSAP 25 (Revised) prescribes the presentation and disclosures following changes in SSAP 1 (Revised) and SSAP 15 (Revised). The condensed consolidated financial statements for the current interim period and comparative figures have been presented in accordance with this revised SSAP.

SSAP 34 prescribes the accounting treatment and disclosures for employee benefits. This SSAP has had no major impact on the condensed consolidated financial statements for the current interim period.

The adoption of these recently issued and revised SSAPs has had no material effect on the results for the current period or prior financial period.

2. Turnover

Turnover represents the invoiced value of goods sold, net of discounts and returns, and services rendered during the period after elimination of all significant intra-group transactions.

3. Segmental information

The following tables present the Group's turnover and results for the period, analysed by business segments and geographical segments, are as follows:

Business segments

Segment	Manufacture and sale of paper cartons and packaging boxes		Commercial printing		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Eliminations		Consolidated	
	For the six months ended 30 September, 2002		For the six months ended 30 September, 2001		For the six months ended 30 September, 2002		For the six months ended 30 September, 2001		For the six months ended 30 September, 2002	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Turnover:										
Sales to external customers	164,748	140,583	37,686	26,991	12,273	8,501	-	-	214,707	176,075
Intersegment sales	1,442	1,424	355	249	227	164	(2,024)	(1,837)	-	-
	166,190	142,007	38,041	27,240	12,500	8,665	(2,024)	(1,837)	214,707	176,075
Segment results	9,585	12,046	7,095	2,822	1,548	820	-	-	18,228	15,688
Interest income									1,100	1,749
Unallocated expenses									(25,085)	(408)
Profit/(loss) from operating activities									(5,757)	17,029
Finance costs									(182)	(445)
Profit/(loss) before tax									(5,939)	16,584
Tax									(1,339)	(1,532)
Profit/(loss) before minority interests									(7,278)	15,052
Minority interests									-	319
Net profit/(loss) from ordinary activities									(7,278)	15,371

Geographical segments

	Hong Kong		Elsewhere in the PRC		Consolidated	
	For the six months ended 30 September, 2002 (Unaudited) HK\$'000		For the six months ended 30 September, 2002 (Unaudited) HK\$'000		For the six months ended 30 September, 2002 (Unaudited) HK\$'000	
	2001 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Segment revenue:						
Sales to external customers	212,202	173,807	2,505	2,268	214,707	176,075
Segment results	17,994	15,413	234	275	18,228	15,688
Interest income					1,100	1,749
Unallocated expenses					(25,085)	(408)
Profit/(loss) from operating activities					(5,757)	17,029
Finance costs					(182)	(445)
Profit/(loss) before tax					(5,939)	16,584
Tax					(1,339)	(1,532)
Profit/(loss) before minority interests					(7,278)	15,052
Minority interests					-	319
Net profit/(loss) from ordinary activities					(7,278)	15,371

4. Profit/(loss) from operating activities

	For the six months ended 30 September,	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit/(loss) from operating activities is arrived at after charging:		
Depreciation and amortisation	12,168	11,993
Net unrealised loss on other investments	788	–
Revaluation deficit on leasehold land and buildings	1,765	–
Revaluation deficit on investment properties	2,573	–
Provision for note receivable	24,221	–
Interest expenses	182	445

5. Other revenue

	For the six months ended 30 September,	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	1,100	1,750
Rental income	1,343	836
Sale of scrap materials	3,624	2,812
Gain on disposal of fixed assets	6	–
Gain on disposal of a subsidiary	–	2,300
Others	1,020	35
	7,093	7,733

6. Tax

	For the six months ended 30 September,	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong profits tax	989	813
Overseas tax	144	1,091
Deferred tax	206	(372)
	1,339	1,532

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the relevant jurisdictions in which the Group operates.

7. Interim dividend

	For the six months ended 30 September,	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Interim dividend of HK1 cent (2001: HK0.5 cent) per ordinary share	4,179	2,089

8. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the Group's unaudited consolidated net loss from ordinary activities attributable to shareholders for the period of HK\$7,278,000 (2001: net profit from ordinary activities attributable to shareholders of HK\$15,371,000) and the weighted average of 417,875,000 ordinary shares in issue (2001: 462,355,874, adjusted for the bonus issue and shares repurchased) during the period.

Diluted loss per share for the period has not been presented because the potential ordinary shares outstanding had an anti-dilutive effect on the basic loss per share for the period.

The calculation of diluted earnings per share for the previous period ended 30 September, 2001 was based on the Group's unaudited consolidated net profit from ordinary activities attributable to shareholders of HK\$15,371,000. The weighted average number of ordinary shares used in the calculation was 462,355,874 ordinary shares in issue, adjusted for the bonus issue and shares repurchased, as used in basic earnings per share calculation, and the weighted average of 1,828,246 ordinary shares assumed to have been issued at no consideration, adjusted for the bonus issue, on the deemed exercise of all share options during that period.

9. Other investments

	As at	
	30 September, 2002 (Unaudited) HK\$'000	31 March, 2002 (Audited) HK\$'000
Shares listed in Hong Kong, at market value*	2,581	–
Equity-linked bonds in Hong Kong, at fair value	–	–
	2,581	–

* The market value as at the date of this interim report was HK\$2,917,000.

10. Note receivable

In July 2001, the Group entered into an agreement with an independent third party private company (the "Borrower") for the subscription of a convertible redeemable note (the "Note") for HK\$24 million at an interest rate of 8% per annum payable every quarter in arrears (the "Note Agreement"). The Note is secured by a share mortgage over all the issued share capital and a debenture over all the assets of the Borrower and personal guarantees executed by two directors of the Borrower. The Borrower is engaged in the undertaking of maintenance building works from the Hong Kong SAR Government as a subcontractor. The outstanding principal amount of the Note may be converted into ordinary shares prior to its maturity in July 2003 by the Group. If the Note is not converted, it will be redeemed at par. In accordance with the Note Agreement, if there are events the occurrence of which would have an adverse impact on the Borrower's financial position, the Note will become immediately due and payable. Up to 31 March, 2002, interest payment of HK\$1.4 million has been made by the Borrower. On 22 May, 2002, the Group issued a demand letter to the Borrower for the repayment of the principal of HK\$24 million together with the accrued interest on the basis that the Directors became aware of certain events which they believe might have an adverse impact on the Borrower's financial position. Upon the failure to reach an immediate settlement agreement with the Borrower, the Group filed for winding up petition against the Borrower in the High Court of Hong Kong SAR on 14 June, 2002. On 17 July, 2002, the Directors reached a settlement agreement with the Borrower for the full repayment of the Note and the Borrower has made prompt settlement of the first instalment in accordance with the settlement agreement. Accordingly, the petition against the Borrower was withdrawn by the Group on 17 July, 2002. On 27 August, 2002, the Group issued a demand letter again to the Borrower for the repayment of the outstanding principal of HK\$23.5 million together with the accrued interest upon the failure of the Borrower to meet the second instalment in accordance with the settlement agreement. On 18 September, 2002, the Group filed for winding up order against the Borrower in the High Court of Hong Kong SAR upon the failure of the Borrower to make the settlement as stipulated by the demand letter. On 20 November, 2002, the Borrower was ordered wound-up by the High Court and provisional liquidator was appointed pending the first meeting of creditors. In view of the development of the situation, the Directors consider it appropriate to make a full provision for the outstanding principal amount of the Note of HK\$23.5 million and the accrued interest of HK\$0.7 million.

11. Trade receivables

The Group allows an average credit period of 60 days to its trade customers.

Ageing Analysis

	30 September, 2002		As at 31 March, 2002	
	(Unaudited) HK\$'000	(Unaudited) %	(Audited) HK\$'000	(Audited) %
Current to 30 days	44,815	33	22,145	43
31 – 60 days	43,009	31	11,140	22
61 – 90 days	31,581	23	12,017	23
Over 90 days	18,018	13	6,303	12
	137,423	100	51,605	100

12. Trade payables*Ageing analysis*

	As at	
	30 September, 2002 (Unaudited) HK\$'000	31 March, 2002 (Audited) HK\$'000
Current to 30 days	26,492	14,017
31 – 60 days	18,744	8,074
61 – 90 days	19,769	5,468
Over 90 days	10,123	5,793
	75,128	33,352

13. Share capital

	As at	
	30 September, 2002 (Unaudited) HK\$'000	31 March, 2002 (Audited) HK\$'000
<i>Authorised:</i>		
800,000,000 ordinary shares of HK\$0.1 each	80,000	80,000
<i>Issued and fully paid:</i>		
417,875,000 ordinary shares of HK\$0.1 each	41,788	41,788

14. Contingent liabilities

The Company provided corporate guarantees to subsidiaries as set out below:

	As at	
	30 September, 2002 (Unaudited) HK\$'000	31 March, 2002 (Audited) HK\$'000
Corporate guarantee to banks for the provision of general banking facilities to subsidiaries	46,000	47,200