

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" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March, 2004.

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

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Commercial printing		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Eliminations		Consolidated	
	For the six months ended 30 September, 2004		For the six months ended 30 September, 2003		For the six months ended 30 September, 2004		For the six months ended 30 September, 2003		For the six months ended 30 September, 2004	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment turnover:										
Sales to external customers	219,889	219,735	36,216	29,836	27,766	16,236	-	-	283,871	265,807
Intersegment sales	6,042	2,107	199	329	107	98	(6,348)	(2,534)	-	-
	225,931	221,842	36,415	30,165	27,873	16,334	(6,348)	(2,534)	283,871	265,807
Segment results	9,974	18,841	7,167	3,750	5,435	1,450	-	-	22,576	24,041
Interest income									838	776
Unallocated expenses									-	(9)
Pr ofit from operating activities									23,414	24,808
Finance costs									(215)	(111)
Pr ofit before tax									23,199	24,697
Tax									(3,083)	(3,274)
Pr ofit after tax from ordinary activities									20,116	21,423

3. Segmental information (Continued)*Geographical segments*

	Hong Kong		Elsewhere in the PRC		Consolidated	
	For the six months ended 30 September,		For the six months ended 30 September,		For the six months ended 30 September,	
	2004 (Unaudited)	2003 (Unaudited)	2004 (Unaudited)	2003 (Unaudited)	2004 (Unaudited)	2003 (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Sales to external customers	274,020	251,722	9,851	14,085	283,871	265,807
Segment results	22,126	23,347	450	694	22,576	24,041
Interest income					838	776
Unallocated expenses					-	(9)
Profit from operating activities					23,414	24,808
Finance costs					(215)	(111)
Profit before tax					23,199	24,697
Tax					(3,083)	(3,274)
Profit after tax from ordinary activities					20,116	21,423

4. Profit from operating activities

	For the six months ended 30 September,	
	2004 (Unaudited)	2003 (Unaudited)
	HK\$'000	HK\$'000
Profit from operating activities is arrived at after charging:		
Depreciation and amortisation	13,686	12,334
Loss on disposal of property, plant and equipment	-	42
Net unrealised loss on other investments	247	-

5. Other revenue

	For the six months ended 30 September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	838	776
Dividend income from listed investments	33	92
Rental income	910	907
Gain on disposal of property, plant and equipment	33	–
Gain on disposal of listed investments	–	397
Others	321	409
	2,135	2,581

6. Tax

	For the six months ended 30 September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong profits tax	2,726	1,024
Overseas tax	357	1,536
Deferred tax	–	714
	3,083	3,274

Hong Kong profits tax is calculated at 17.5% (2003: 17.5%) of the estimated assessable profits for the six months ended 30 September, 2004. 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 dividends

	For the six months ended 30 September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend of HK1 cent		
(2003: HK1 cent) per ordinary share	4,867	4,323

8. Earnings per share

The calculation of basic earnings per share is based on the Group's unaudited consolidated profit after tax from ordinary activities attributable to shareholders for the period ended 30 September, 2004 of approximately HK\$20,116,000 (2003: HK\$21,423,000) and the weighted average of 483,598,138 ordinary shares in issue (2003: 432,331,061) during the period.

The calculation of diluted earnings per share for the period ended 30 September, 2004 is based on the Group's unaudited consolidated profit after tax from ordinary activities attributable to shareholders of approximately HK\$20,116,000 (2003: HK\$21,423,000). The weighted average number of ordinary shares used in the calculation is 483,598,138 ordinary shares in issue (2003: 432,331,061), as used in the basic earnings per share calculation, and the weighted average of 1,610,475 ordinary shares (2003: 1,008,888) assumed to have been issued at no consideration, on the deemed exercise of all share options during the period.

9. Movement in property, plant and equipment

During the period, the Group spent approximately HK\$16,912,000 on plant and machinery in order to upgrade its manufacturing capacities. The Group also disposed of leasehold land and buildings with an original purchase cost of approximately HK\$13,000,000 and the net book value of approximately HK\$16,332,000 at a consideration of HK\$16,614,000.

10. Trade and bills receivables

The Group allows an average credit period of 75 days to its trade customers.

Ageing Analysis

	30 September, 2004		As at 31 March, 2004	
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	HK\$'000	%	HK\$'000	%
Current to 30 days	49,487	33	34,933	39
31 – 60 days	48,908	33	25,520	29
61 – 90 days	31,317	21	11,545	13
Over 90 days	19,013	13	16,587	19
	148,725	100	88,585	100

11. Other investments

	As at	
	30 September, 2004 (Unaudited) HK\$'000	31 March, 2004 (Audited) HK\$'000
Hong Kong listed equity investments, at fair value	2,649	1,304
Overseas unlisted equity investments, at fair value	6,100	–
Overseas unlisted debt investments, at fair value	4,560	3,000
	13,309	4,304

12. Trade payables*Ageing analysis*

	As at	
	30 September, 2004 (Unaudited) HK\$'000	31 March, 2004 (Audited) HK\$'000
Current to 30 days	25,669	29,452
31 – 60 days	29,030	15,530
61 – 90 days	17,984	8,012
Over 90 days	18,544	8,065
	91,227	61,059

13. Share capital

	30 September, 2004 (Unaudited) HK\$'000	As at 31 March, 2004 (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>		
486,706,061 ordinary shares of HK\$0.1 each (2003: 482,331,061)	48,671	48,233

Details of the movements in the issued share capital of the Company during the current period were as follows:

	<i>HK\$'000</i>	<i>Number of shares</i>
At 1 April 2004	48,233	482,331,061
Exercise of share options	438	4,375,000
At 30 September 2004 (unaudited)	48,671	486,706,061

During the period, the directors exercised their share options to subscribe for 1,875,000 ordinary shares and 2,500,000 ordinary shares at HK\$0.2240 and HK\$0.3507 per share in the Company.

14. Contingent liabilities and charge on assets

At 30 September, 2004, the Company provided corporate guarantees to banks for the provision of general banking facilities to its subsidiaries to the extent of HK\$79,900,000 (31 March, 2004: HK\$79,900,000).

The amount of banking facilities utilised by the subsidiaries amounted to HK\$32,460,000 as at 30 September, 2004 (31 March, 2004: HK\$34,685,000).

At 30 September, 2004, a bank placed a charge to one of the subsidiaries to secure all relevant liability which may be due to the bank as stipulated in the financial service agreements between the bank and the subsidiary.

At 30 September, 2004, the Group held a speculative forward exchange contract amounting to HK\$7,795,000 with maturity date of 25 September, 2006.

At 30 September, 2004, certain of the Group's properties amounting to HK\$36.2 million were pledged to secure general banking facilities granted to the Group.

15. Capital commitments

	Group As at	
	30 September, 2004 (Unaudited) HK\$'000	31 March, 2004 (Audited) HK\$'000
Contracted for acquisition of property, plant and equipment	1,521	12,940
Investment in subsidiaries in the PRC	7,673	17,030
	9,194	29,970

The Company did not have any significant capital commitments as at 30 September, 2004.

16. Comparative amounts

Certain comparative amounts have been reclassified to confirm to the current period's presentation.