Notes:

1. Basis of preparation and accounting policies

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 Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 Group's annual financial statements for the year ended 31 March 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include the relevant new HKASs and Interpretations) issued by the HKICPA effective for the accounting period commencing on or after 1 January 2005, which are relevant to its operations, as set out below:

HKAS 1:	Presentation of Financial Statements
HKAS 2:	Inventories
HKAS 7:	Cash Flow Statements
HKAS 8:	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10:	Events after the Balance Sheet Date
HKAS 12:	Income Taxes
HKAS 14:	Segment Reporting
HKAS 16:	Property, Plant and Equipment
HKAS 17:	Leases
HKAS 18:	Revenue
HKAS 19:	Employee Benefits
HKAS 21:	The Effects of Changes in Foreign Exchange Rates
HKAS 24:	Related Party Disclosures
HKAS 32:	Financial Instruments: Disclosure and Presentation
HKAS 33:	Earnings Per Share
HKAS 36:	Impairment of Assets
HKAS 37:	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39:	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment:	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40:	Investment Property
HKAS-Int 21:	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2:	Share-based Payment

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 24, 33, 36 and 37 has no material impact on the accounting policies of the Group and the methods of computation of these interim financial statements.

All the standards have been applied retrospectively except where specific transitional provisions require a different treatment and accordingly the presentation of certain comparative amounts have been amended in accordance with HKAS 8. Due to the change in accounting policies, certain comparatives contained in these condensed financial statements differ from those published in the financial statements for the year ended 31 March 2005 and the condensed financial statements for the six months ended 30 September 2004.

1. Basis of preparation and accounting policies (Continued)

Significant effects on current, prior or future periods arising from the first-time application of the standards listed above in respect of presentation, recognition and measurement of accounts are described as follows:

(i) Presentation of Financial Statements

The application of HKAS 1 "Presentation of Financial Statements" led to an update of the presentation of financial statements. Minority interests are now included as a separate line item within equity. Profit and loss attributable to minority interests and that attributable to owners of the parent company is now presented as an allocation of the net result of the period.

(ii) Leasehold Land

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. In accordance with HKAS 17, a lease of land and building should be split into a lease of land and a lease of building according to their fair value at inception. A lease of land is an operation lease and a lease of building is a finance lease unless the two elements cannot be allocated reliably **at the inception of the lease**, in which case the entire lease is classified as a finance lease. Pursuant to these requirements, the up-front prepayments made for distinguishable leasehold land is accounted for as operating lease and amortised over its unexpired lease term, whereas undistinguishable leasehold land and building is stated collectively at valuation less accumulated depreciation. In prior years, the leasehold land was accounted for at valuation less accumulated depreciation and accumulated impairment. The increase in fair value was credited to the revaluation reserve. Decrease in fair value was first set off against increases on earlier valuations in respect of the same property and thereafter expensed in the income statement. The adoption of HKAS 17 for the six months ended 30 September 2005 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy. The current policy is adopted as it is considered more appropriate.

1. Basis of preparation and accounting policies (Continued)

(iii) Investment Property

The Group has also applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value model of investment properties to be recognised directly in the profit or loss for the period in which they arise. In previous periods, investment properties were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and a revaluation increase subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1 April 2005 onwards. The revaluation surplus or deficit of investment property of the Group was all charged to the income statement in previous years, therefore, no adjustment to the Group's retained profits or revaluation reserve is required. The change in accounting policy has not had any significant impact on the comparative figures of the Group.

In addition, HKAS-Int 21 now requires deferred taxation to be calculated, using profit tax rates, as opposed to using capital gain tax rates, on these surplus and deficits. This has been applied retrospectively.

(iv) Financial Instruments

The adoption of HKASs 32, 39 and 39 Amendment has resulted in a change in the accounting policy relating to the measurement and classification of investments. As a result, other investments of approximately HK$40,611,000 is now classified as "Financial Assets at Fair Value through Profit or Loss". Gains and losses arising from change in fair value of "Financial Assets at Fair Value through Profit or Loss" are charged to income statement. The Group recorded the other investments at fair value and any gains or losses were credited or charged to the income statement in prior years. As a result, the adoption of HKAS 32, 39 and 39 Amendment does not result in any restatement in the unaudited interim financial statements. During the period, changes in fair value of Financial Assets at Fair Value through Profit or Loss was approximately HK$282,000.

(v) Share-based Payment

Prior to the adoption of HKFRS 2 on 1 April 2005, equity-settled share-based payment transactions were treated as changes in the entity's equity only upon execution. HKFRS 2 requires all goods and services received in the course of share-based payment transactions to be measured at fair value and recognised in the financial statements with a corresponding credit to equity, unless the transaction is settled in cash. When applied to employee share-based compensation, this leads to the recognition of share options which have been granted and are expected to vest as an expense in profit or loss.

According to the transitional provisions of HKFRS 2, all equity-settled share-based payments granted after 7 November 2002 that had not vested at the first application of this standard are required to be recognised retrospectively in the Group's financial statements.

As the Group's share options were granted before 7 November 2002, in accordance with the transitional provisions the Group is not required to apply the accounting provisions of HKFRS 2.

2. SUMMARY OF THE IMPACT OF CHANGES ON ACCOUNTING POLICIES

The effect of changes in the above accounting policies on the consolidated balance sheet are as follows :

	HKAS 17	**HKAS 32 & HKAS 39**	**Total effect adoption of HKFRSs and HKASs**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2005 (audited and restated)			
Increase/(Decrease) in assets/liabilities			
Property, plant and equipment	(30,016)	–	(30,016)
Prepaid lease payments	14,875	–	14,875
Other investments	–	(37,921)	(37,921)
Financial assets at fair value through profit or loss	–	37,921	37,921
Deferred tax liabilities	(2,894)	–	(2,894)
Increase/(Decrease) in equity			
Asset revaluation reserve	(18,408)	–	(18,408)
Retained profits	6,161	–	6,161
At 30 September 2005 (unaudited)			
Increase/(Decrease) in assets/liabilities			
Property, plant and equipment	(31,214)	–	(31,214)
Prepaid lease payments	14,689	–	14,689
Other investments	–	(40,611)	(40,611)
Financial assets at fair value through profit or loss	–	40,611	40,611
Deferred tax liabilities	1,494	–	1,494
Increase/(Decrease) in equity			
Asset revaluation reserve	(16,890)	–	(16,890)
Retained profits	5,320	–	5,320

2. SUMMARY OF THE IMPACT OF CHANGES ON ACCOUNTING POLICIES (Continued)

The effect of changes in the above accounting policies on the consolidated income statement are as follows :

	HKAS 17	**HKAS 32 & HKAS 39**	**Total effect on adoption of HKFRSs and HKASs**
	HK$'000	*HK$'000*	*HK$'000*
For the six months ended 30 September 2005 (unaudited)			
Increase/(Decrease) in profit			
Increase in depreciation	(654)	–	(654)
Increase in amortisation of prepaid lease payment	(187)	–	(187)
Total decrease in profit	(841)	–	(841)
For the six months ended 30 September 2004 (unaudited)			
Increase/(Decrease) in profit			
Decrease in depreciation	449	–	449
Increase in amortisation of prepaid lease payment	(187)	–	(187)
Total increase in profit	262	–	262

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 For the six months ended 30 September		Commercial printing For the six months ended 30 September		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags For the six months ended 30 September		Eliminations For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004
	(Unaudited)	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)
	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	**283,211**	226,776	**37,802**	36,216	**27,418**	20,879	**–**	–	**348,431**	283,871
Intersegment sales	**–**	–	**42**	199	**50**	107	**(92)**	(306)	**–**	–
	283,211	226,776	**37,844**	36,415	**27,468**	20,986	**(92)**	(306)	**348,431**	283,871
Segment results	**23,380**	11,082	**4,565**	7,167	**5,961**	4,589	**–**	–	**33,906**	22,838
Interest income									**1,252**	838
Unallocated expenses									**–**	–
Profit from operating activities									**35,158**	23,676
Finance costs									**(645)**	(215)
Profit before taxation									**34,513**	23,461
Taxation									**(5,317)**	(3,083)
Profit for the period									**29,196**	20,378

3. Segmental information (Continued)

Geographical segments

	Hong Kong For the six months ended 30 September		Elsewhere in the PRC For the six months ended 30 September		Europe and other countries For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004
	(Unaudited)	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)	**(Unaudited)**	(Unaudited and restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**272,332**	247,566	**12,020**	9,851	**64,079**	26,454	**348,431**	283,871

4. Profit from operating activities

	For the six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited and restated)
	HK$'000	*HK$'000*
Profit from operating activities is arrived at after charging/(crediting):		
Amortisation of prepaid lease payment	**187**	187
Depreciation of property, plant and equipment	**13,680**	13,184
Net unrealised (gain)/loss on financial assets at fair value through profit or loss	**(282)**	247

5. Other revenue

	For the six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited and restated)
	HK$'000	*HK$'000*
Interest income	**1,252**	838
Dividend income from listed investments	**177**	33
Rental income	**1,014**	910
Gain on disposal of property, plant and equipment	**–**	33
Gain on disposal of listed investments	**679**	–
Others	**31**	321
Unrealised gain on financial assets at fair value through profit or loss	**282**	–
	3,435	2,135

6. Taxation

	For the six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited and restated)
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong profits tax	**4,300**	2,726
Overseas tax	**1,017**	357
	5,317	3,083

Hong Kong profits tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the six months ended 30 September 2005. 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	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend of HK1 cent (2004: HK1 cent) per ordinary share	**4,867**	4,867

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 2005 of approximately HK$29,329,000 (2004: HK$20,378,000) and the weighted average of 486,706,061 ordinary shares in issue (2004: 483,598,138) during the period.

The calculation of diluted earnings per share for the period ended 30 September 2005 is based on the Group's unaudited consolidated profit after tax from ordinary activities attributable to shareholders of approximately HK$29,329,000 (2004: HK$20,378,000). The weighted average number of ordinary shares used in the calculation is 486,706,061 ordinary shares in issue (2004: 483,598,138), as used in the basic earnings per share calculation, and the weighted average of 297,515 ordinary shares (2004: 1,610,475) 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$12,063,000 on plant and machinery in order to upgrade its manufacturing capacities.

10. Trade and bills receivables

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

Ageing Analysis

	As at 30 September 2005 (Unaudited) *HK$'000*	31 March 2005 (Audited) *HK$'000*
Current to 30 days	**67,119**	38,684
31 – 60 days	**64,615**	21,828
61 – 90 days	**42,992**	24,168
Over 90 days	**30,214**	16,135
	204,940	100,815

11. Financial assets at fair value through profit or loss

	As at 30 September 2005 (Unaudited) *HK$'000*	31 March 2005 (Audited) *HK$'000*
Hong Kong listed equity investments	**3,144**	1,909
Overseas listed equity securities	**6,312**	–
Overseas unlisted equity investments	**8,548**	10,541
Overseas unlisted debt investments	**22,607**	25,471
	40,611	37,921

12. Trade payables

Ageing analysis

	As at 30 September 2005 (Unaudited) *HK$'000*	31 March 2005 (Audited) *HK$'000*
Current to 30 days	**36,595**	32,706
31 – 60 days	**33,162**	9,416
61 – 90 days	**30,839**	13,161
Over 90 days	**32,403**	13,531
	132,999	68,814

13. Share capital

	As at 30 September 2005 (Unaudited) *HK$'000*	31 March 2005 (Audited) *HK$'000*
Authorised:		
800,000,000 ordinary shares of HK$0.1 each	**80,000**	80,000
Issued and fully paid:		
486,706,061 ordinary shares of HK$0.1 each	**48,671**	48,671

14. Contingent liabilities and charge on assets

At 30 September 2005, the Company provided corporate guarantees to banks for the provision of general banking facilities to its subsidiaries to the extent of HK$89,900,000 (31 March 2005: HK$89,900,000).

The amount of banking facilities utilised by the subsidiaries amounted to HK$49,106,000 as at 30 September 2005 (31 March 2005: HK$27,151,000).

At 30 September 2005, 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 2005, certain of the Group's properties amounting to HK$27,511,000 million (31 March 2005: HK$27,840,000) were pledged to secure general banking facilities granted to the Group.

15. Capital commitments

	Group As at 30 September 2005 (Unaudited) *HK$'000*	31 March 2005 (Audited) *HK$'000*
Contracted for acquisition of property, plant and equipment	**1,354**	2,923
Investment in a subsidiary in the PRC	**–**	4,800
	1,354	7,723

16. Comparative figures

As disclosed in note 1, due to adoption of new/revised HKFRSs for the current period, the accounting treatment and presentation of certain items on the financial statements have been revised to comply with the new requirements. In addition, certain comparative figures of segmental information in note 3 have been reclassified to conform with the current period's presentation.