1. Group Reorganisation and Basis of Presentation of Combined Financial Statements

The Company was incorporated in the Cayman Islands on 30th September, 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on The Stock Exchange of Hong Kong Limited with effect from 6th June, 2006. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section to the annual report.

Under a group reorganisation scheme ("the Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited, the Company became the holding company of the Group on 16th May, 2006. Details of the reorganisation were set out in the prospectus dated 24th May, 2006 ("Prospectus") issued by the Company.

The principal steps of the Reorganisation were as follows:

(a) on 30th September, 2005, the Company was incorporated in the Cayman Islands.

(b) On 10th May, 2006, every issued and unissued share of HK$0.10 was divided into two shares of HK$0.05 each.

(c) on 16th May, 2006, Choi Hon Hing transferred 2 shares to Boxmore Limited ("Boxmore") for cash at par.

(d) on 16th May, 2006, the Company acquired the entire issued share capital of Winbox (BVI) Limited from Boxmore and allotted and issued 399,999,998 shares, credited as fully paid, to Boxmore as consideration therefor.

The directors of the Company consider that meaningful information on the historical performance of the companies now comprising the Group is provided by treating the Group resulting from the Reorganisation as a continuing entity as if the group structure as at 16th May, 2006 had been in existence from the beginning of the year ended 31st March, 2005.

Accordingly, the combined income statements, combined cash flow statements and combined statement of changes in equity of the Group for the years ended 31st March, 2005 and 2006 have been prepared as if the current group structure after the Reorganisation had been in existence throughout the years ended 31 March, 2005 and 2006. The combined balance sheets of the Group as at 31st March, 2005 and 2006 have been prepared to present the assets and liabilities of the Group as if the group structure after the Reorganisation had been in existence as at these dates.

All significant intra-group transactions, cash flows and balances have been eliminated on combination.

The principal activity of the Group is sale of quality plastic and paper boxes for luxury consumer goods.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Application of New and Revised Hong Kong Financial Reporting Standards

The Group has not early applied the following new standards and interpretations that have been issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") but are not yet effective. The directors of the Company anticipate that the application of these standards and interpretations will have no material impact on the combined financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures [1]
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures [2]
HKAS 21 (Amendment)	Net investment in a foreign operation [2]
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions [2]
HKAS 39 (Amendment)	The fair value option [2]
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts [2]
HKFRS 6	Exploration for and evaluation of mineral resources [2]
HKFRS 7	Financial instruments: Disclosures [1]
HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease [2]
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds [2]
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market - waste electrical and electronic equipment [3]
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies [4]
HK(IFRIC) - INT 8	Scope of HKFRS 2 [5]
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives [6]

[1] Effective for annual periods beginning on or after 1st January, 2007.
[2] Effective for annual periods beginning on or after 1st January, 2006.
[3] Effective for annual periods beginning on or after 1st December, 2005.
[4] Effective for annual periods beginning on or after 1st March, 2006.
[5] Effective for annual periods beginning on or after 1st May, 2006.
[6] Effective for annual periods beginning on or after 1st June, 2006.

3. Significant Accounting Policies

The combined financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value, as explained in the accounting policies set out below.

The combined financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the combined financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Business Combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combinations. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet. Capitalised goodwill arising on an acquisition of an associate is included in the cost of the investment of the relevant associate.

3. Significant Accounting Policies (continued)

Goodwill (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Dividend income from investments is recognised when the Group's right to receive payment has been established.

Realised profits and losses arising from trading of financial products are accounted for in the year in which the contracts are closed as the difference between the net sales proceeds and the carrying amount of the financial products. Open positions are valued at market rate with unrealised profits and losses included in the income statement.

3. Significant Accounting Policies (continued)

Property, Plant and Equipment

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

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, and after taking into account their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

Prepaid Lease Payments

Prepaid lease payments of land under operating lease are charged to income statement on straight-line basis over the lease terms.

Leasing

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

The Group as Lessor

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant Accounting Policies (continued)

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which case, the exchange differences are also recognised directly in equity.

For the purpose of presenting financial statements, the assets and liabilities of the Group's foreign operations are translated into Hong Kong Dollar at the rates prevailing at the balance sheet date and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during the year, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Borrowing Costs

All borrowing costs are recognised as and included in finance costs in the income statement in the period in which then are incurred.

3. Significant Accounting Policies (continued)

Retirement Benefit Costs

Payments to the Group's retirement benefit schemes which are defined contribution plans are charged as an expense as they fall due.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's pension obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. Significant Accounting Policies (continued)

Impairment

At balance sheet date, the Group reviews the carrying amounts of its assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

The Group's financial assets are classified into one of three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

3. Significant Accounting Policies (continued)

Financial Assets (continued)

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. The Group classified financial assets as investments held for trading. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, receivables (including trade receivables, bills receivable, other receivables and deposits, amount due from a related company and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss 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.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods.

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 at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent years.

3. Significant Accounting Policies (continued)

Financial Liabilities and Equity

Financial liabilities and equity instruments issued a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial Liabilities

Financial liabilities including trade payables, other payables, deposits received and accruals and borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity Instruments

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

Derivative Financial Instruments and Hedging

There are three types of hedge relationships, fair value hedges, cash flow hedges and net investment hedges. Hedges are classified as fair value hedges when hedges are made to hedge against exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment. Alternatively, hedges are classified as cash flow hedges when hedges are made to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. The Group only has derivatives that do not qualify for hedge accounting and the accounting policy is set out below:

Derivatives that do not Qualify for Hedge Accounting

Derivatives that do not qualify for hedge accounting are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

3. Significant Accounting Policies (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet when, and only when, they are extinguished (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the process of applying the entity's accounting policies which are described in note 3, management has made the following judgments that have significant effect on the amounts recognised in the combined financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are also discussed below.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the balance sheet date was approximately HK$9,699,000 (2005: HK$10,318,000) with no impairment loss recognised. Details of the value in use calculation are provided in note 18.

5. Financial Risk Management Objectives and Policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, borrowings, available-for-sale investments and investments held for trading. Details of these financial instruments are disclosed in respective notes. The risk associated with these financial instruments and the polices on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st March, 2006 in relation to each class of recognised financial assets is the carrying amount of those asset as stated in the combined balance sheet. In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Interest Rate Risk

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances.

In addition, the Group has exposure to fair value interest rate risk through the impact of the rate changes on borrowings which are carried at fixed interest rate. The directors consider the Group's exposure to interest rate risk is not significant as the borrowings are within short maturity periods.

Foreign Currency Risk

Several subsidiaries of the Company have foreign currency transactions, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Price Risk

The Group's investments held for trading are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

6. Revenue

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, less sales tax and sales returns during the year.

7. Segment Information

The directors report the geographical segments as the Group's primary segment information.

Geographical segments

The following table provides an analysis of the Group's sales by geographical market in which the customers are located, irrespective of the origin of the goods.

Income statement

	Hong Kong		North America		Europe		Unallocated		Combined	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	34,958	34,401	14,996	16,727	95,278	72,403	5,823	7,050	151,055	130,581
Segment results	16,754	16,582	4,050	5,155	20,508	20,025	517	(734)	41,829	41,028
Other income									8,974	6,567
Unallocated corporate expenses									(19,333)	(12,236)
Finance costs									(216)	(320)
Share of loss of an associate									–	(239)
Profit before taxation									31,254	34,800
Taxation									(4,450)	(4,615)
Profit for the year									26,804	30,185

7. Segment Information (continued)

Geographical segments (continued)

Balance sheet

	Hong Kong		North America		Europe		Unallocated		Combined	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS										
Segment assets	5,685	7,292	3,114	2,372	36,647	37,913	147	477	45,593	48,054
Unallocated corporate assets									154,499	137,380
Combined total assets									200,092	185,434
LIABILITIES										
Segment liabilities	–	–	–	–	5,283	7,511	–	–	5,283	7,511
Unallocated corporate liabilities									30,195	18,989
Combined total liabilities									35,478	26,500

7. Segment Information (continued)

Geographical segments (continued)

Other information

	Hong Kong		North America		Europe		Unallocated		Combined	
	2006 *HK$'000*	2005 *HK$'000*	2006 *HK$'000*	2005 *HK$'000*	2006 *HK$'000*	2005 *HK$'000*	2006 *HK$'000*	2005 *HK$'000*	2006 *HK$'000*	2005 *HK$'000*
Addition of property, plant and equipment	–	–	–	–	5,589	2,583	287	1,270	5,876	3,853
Depreciation of property, plant and equipment	408	371	220	231	1,567	1,688	85	98	2,280	2,388
Release of prepaid lease payments	105	105	–	–	–	–	–	–	105	105
(Reversal of) allowance on bad and doubtful debts	–	–	–	–	(182)	240	–	1,303	(182)	1,543
(Reversal of) allowance for slow moving inventories	–	–	–	–	(43)	–	(715)	257	(758)	257
Change in fair value on investments held for trading	–	–	–	–	–	–	1,975	1,798	1,975	1,798
Change in fair value on derivative financial instruments	–	–	–	–	–	–	297	–	297	–

7. Segment Information (continued)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets at the balance sheet date, and additions to property, plant and equipment during the year, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2006	2005	2006	2005
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	12,343	13,012	163	—
The People's Republic of China (the "PRC")	6,750	6,175	124	1,270
Europe	26,500	28,867	5,589	2,583
Unallocated	154,499	137,380	—	—
	200,092	185,434	5,876	3,853

Business segment

The Group is mainly engaged in the sale of quality plastic and paper boxes for luxury consumer goods. Accordingly, no segmental analysis on business segment is presented.

8. Other Income

	2006	2005
	HK$'000	*HK$'000*
Interest earned on bank deposits	1,298	732
Interest earned on quoted debt securities	1,593	1,130
Interest earned on loan to a related company	—	100
Rental income	27	252
Net realised gain on disposal of investments held for trading	3,138	501
Net foreign exchange gain	—	1,124
Change in fair value of investments held for trading	1,975	1,798
Gain on disposal of property, plant and equipment	32	69
Dividend income from investments held for trading	257	169
Sundry income	654	692
	8,974	6,567

9. Finance Costs

	2006	2005
	HK$'000	*HK$'000*
Interest on bank overdrafts and other borrowings wholly repayable within five years	216	320

10. Profit Before Taxation

	2006	2005
	HK$'000	*HK$'000*
Profit before taxation is arrived after charging (crediting):		
Auditors' remuneration	761	371
(Reversal of) allowance for bad and doubtful debts (included in administrative expenses)	(182)	1,543
(Reversal of) allowance for slow moving inventories (included in cost of sales)	(758)	257
Cost of inventories expensed	94,048	74,503
Depreciation of property, plant and equipment	2,280	2,388
Release of prepaid lease payments	105	105
Listing fee	5,233	—
Net foreign exchange loss	1,763	—
Change in fair value on derivative financial instruments	297	—
Operating lease rentals in respect of rented premises	3,746	3,080
Share of taxation of an associate (included in share of loss of an associate)	—	84
Staff costs (excluded directors' emoluments)		
- salaries, bonus and other allowances	30,034	28,149
- retirement benefit scheme contributions	3,211	2,316
	33,245	30,465

Note: Reversal of allowance for slow moving inventories was made when the net realisable value of those inventories on which allowance had previously been made is greater than the written down carrying amount.

11. Taxation

	2006	2005
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	2,743	2,514
Other jurisdictions	1,707	2,101
	4,450	4,615

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

Pursuant to the relevant laws and regulations in the PRC, the Company's wholly owned subsidiary, Winbox Plastic Manufacturing (Shenzhen) Company Limited ("Winbox Plastic Manufacturing (Shenzhen)") is entitled to use a tax rate of 15% being the applicable tax rate for foreign invested enterprise in the area of Shenzhen Special Economic Zone 深圳經濟特區. In addition, Winbox Plastic Manufacturing (Shenzhen) is entitled to an exemption from PRC income tax for the two years starting from its first profit-making year, followed by a 50% tax relief for the next three years. The tax charge provided for the year has been made after taking these tax incentives into account. It commenced its first profit making year for the fiscal year ended 31st December, 2002.

French profits tax is calculated at 33.3% of the estimated assessable profit for the Company's wholly owned subsidiary, Dardel S.A.S. ("Dardel") for the year.

11. Taxation (continued)

The taxation for the year can be reconciled to the profit before taxation per the combined income statement as follows:

	2006 *HK$'000*	2005 *HK$'000*
Profit before taxation	31,254	34,800
Tax at Hong Kong Profits Tax rate of 17.5%	5,469	6,090
Tax effect of share of loss of an associate	—	42
Tax effect of expenses not deductible for tax purposes	1,014	517
Tax effect of income not taxable for tax purposes	(407)	(522)
Effect of different tax rate of a subsidiary operating in other jurisdiction	302	668
Tax effect of estimated tax losses not recognised	1	85
Income tax concession	(1,473)	(2,172)
Utilisation of tax losses previously not recognised	(492)	(140)
Others	36	47
Taxation for the year	4,450	4,615

At the balance sheet date, the Group had unused estimated tax losses of approximately HK$1,077,000 (2005: HK$3,886,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unrecognised estimated tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

12. Directors' Emoluments

The emoluments paid or payable to each of the 6 (2005: 6) directors were as follows:

	2006					2005				
	Fee	Salaries and other allowances	Bonus	Retirement benefit scheme contributions	Total	Fee	Salaries and other allowances	Bonus	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:										
Choi Hon Hing	–	562	500	12	1,074	–	660	200	12	872
Fung Wing Ki, Vicky	–	145	120	7	272	–	140	60	7	207
Fung Wing Yee, Wynne	–	210	100	9	319	–	208	80	10	298
Non-executive directors:										
Tam Hok Lam, Tommy	–	–	–	–	–	–	–	–	–	–
Hui Ka Wah, Ronnie	–	–	–	–	–	–	–	–	–	–
Leung Man Chun, Paul	–	–	–	–	–	–	–	–	–	–
	–	917	720	28	1,665	–	1,008	340	29	1,377

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

13. Employee's Emoluments

Of the five individuals with the highest emoluments in the Group, one (2005: one) was a director of the Company whose emoluments is included in the disclosures in note 12 above. The emoluments of the remaining four individuals (2005: four) were as follows:

	2006	2005
	HK$'000	*HK$'000*
Salaries and other allowances	3,721	2,641
Bonus	181	359
Retirement benefit scheme contributions	294	219
	4,196	3,219

The emoluments were within the following bands:

	2006	2005
	No. of employees	No. of employees
HK$nil to HK$1,000,000	2	3
HK$1,000,001 to HK$1,500,000	2	1

During the year, no emoluments or discretionary bonus were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. Dividends

	2006	2005
	HK$'000	*HK$'000*
Interim dividend declared and paid	10,000	10,000
Special dividend declared and paid	10,000	—
	20,000	10,000

On 4th July, 2005 and 30th August, 2005, the directors of Winbox (BVI) Limited, the then holding company of the Group, declared and its then shareholder approved an interim dividend and special dividend amounting to HK$10,000,000 each respectively.

A final dividend of HK$0.025 per share, amounting to HK$10,000,000 in total, (2005: Nil) has been proposed by the directors and is subject to be approved by the Company's shareholders at the forthcoming annual general meeting.

15. Earnings Per Share

The calculation of the basic earnings per share is based on the combined profit attributable to equity holders of the parent for the year and on 400,000,000 shares in issue as at the date of this report on the assumption that the Reorganisation had been effective on 1st April, 2004.

Diluted earnings per share has not been presented as there were no potential dilutive equity shares in both the years presented.

16. Property, Plant and Equipment

	Freehold land HK$'000	Buildings on freehold land HK$'000	Leasehold buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Moulds HK$'000	Motor vehicles HK$'000	Total HK$'000
COST									
At 1st April, 2004	–	–	9,330	2,872	6,116	2,944	6,711	152	28,125
Exchange adjustments	23	62	–	–	11	32	–	–	128
Additions	–	–	–	163	177	23	914	–	1,277
Acquired on acquisitions of a subsidiary	464	1,205	–	–	184	723	–	–	2,576
Disposals	–	–	–	–	(12)	(1,231)	–	–	(1,243)
At 1st April, 2005	487	1,267	9,330	3,035	6,476	2,491	7,625	152	30,863
Exchange adjustments	(29)	(77)	–	–	(12)	(44)	–	–	(162)
Additions	–	5,151	–	63	138	524	–	–	5,876
Disposals	–	–	–	–	(287)	(52)	–	–	(339)
At 31st March, 2006	458	6,341	9,330	3,098	6,315	2,919	7,625	152	36,238
DEPRECIATION									
At 1st April, 2004	–	–	1,572	1,675	5,225	2,589	6,038	114	17,213
Exchange adjustments	–	3	–	–	5	12	–	–	20
Provided for the year	–	61	187	562	526	397	617	38	2,388
Eliminated on disposals	–	–	–	–	(12)	(1,231)	–	–	(1,243)
At 1st April, 2005	–	64	1,759	2,237	5,744	1,767	6,655	152	18,378
Exchange adjustments	–	(6)	–	–	(10)	(18)	–	–	(34)
Provided for the year	–	189	187	557	489	443	415	–	2,280
Eliminated on disposals	–	–	–	–	(287)	(52)	–	–	(339)
At 31st March, 2006	–	247	1,946	2,794	5,936	2,140	7,070	152	20,285
NET BOOK VALUES									
At 31st March, 2006	458	6,094	7,384	304	379	779	555	–	15,953
At 31st March, 2005	487	1,203	7,571	798	732	724	970	–	12,485

16. Property, Plant and Equipment (continued)

The above items of property, plant and equipment are depreciated on straight-line basis at the following rates per annum:

Freehold land	Nil
Buildings on freehold land	2%
Leasehold buildings	2%
Leasehold improvements	20%
Plant and machinery	20%
Furniture, fixtures and equipment	20%
Moulds	20%
Motor vehicles	25%

The leasehold buildings are held under medium-term lease and the net book value shown above comprises:

	2006 *HK$'000*	2005 *HK$'000*
Located in Hong Kong	6,534	6,703
Located outside Hong Kong	850	868
	7,384	7,571

The freehold land and buildings are located outside Hong Kong.

17. Prepaid Lease Payments

	2006 *HK$'000*	2005 *HK$'000*
The Group's prepaid lease payments comprise:		
Leasehold land in Hong Kong	2,847	2,914
Leasehold land outside Hong Kong	1,660	1,698
	4,507	4,612

The leasehold land of the Group is held under medium-term lease and charged to income statement over the term of the lease on a straight-line basis.

18. Goodwill

	HK$'000
COST	
At 1st April, 2004	—
Transferred from interest in an associate	4,930
Arising an acquisition of a subsidiary	4,893
Exchange difference	495
At 1st April, 2005	10,318
Exchange difference	(619)
At 31st March, 2006	9,699

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU") arising from a subsidiary in France that is expected to benefit from that business combination.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGUs is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecast. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecast derived from the most recent financial budget approved by management for the next five years and extrapolates cash flows for the following five years based on an estimated growth rate of 4% (2005: 4%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flow is 19% (2005: 19%).

19. Investments

	2006 HK$'000	2005 HK$'000
Available-for-sale investments include:		
Unlisted equity securities, at cost	10,245	10,264
Club debentures, at fair value	1,118	1,118
	11,363	11,382
Investments held for trading include:		
Listed equity securities	36,565	19,865
Unlisted quoted debt securities	13,503	21,170
	50,068	41,035

The above available-for-sale investments represent investments in unlisted equity securities issued by private entities and club debentures. The unlisted equity securities are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Group are of the opinion that their fair values cannot be measured reliably. Club debentures are stated at fair value. Fair value of those investments have been determined by reference to the bid prices quoted in active markets.

The fair values of listed equity securities are based on quoted market bid price.

The investments in debt securities offer the Group the opportunity for return through interest income and trading gains. They have fixed maturity and coupon rate. The fair values of these securities are based on quoted price.

20. Inventories

	2006 HK$'000	2005 HK$'000
Raw materials	12,379	13,460
Work in progress	4,855	4,777
Finished goods	7,183	7,320
	24,417	25,557

21. Other Current Financial Assets

The Group allows an average credit period of 30 to 60 days to its trade customers. The aged analysis of trade receivables and bills receivable are stated as follows:

	2006	2005
	HK$'000	*HK$'000*
0 to 30 days	13,149	12,538
31 to 60 days	2,878	2,979
61 to 90 days	1,124	795
91 to 180 days	497	622
Over 180 days	1,394	1,314
	19,042	18,248
Less: Allowance for bad and doubtful debts	(1,303)	(1,543)
	17,739	16,705
Bills receivable - within 30 days	183	863
	17,922	17,568

Other receivables and deposits are repayable on demand.

Amount due from a related company disclosed pursuant to section 161B of Hong Kong Companies Ordinance was as follows:

Name of borrower	Term of loans	2006	2005	Maximum balances outstanding
		HK$'000	*HK$'000*	*HK$'000*
Gainbest Investments Limited	Unsecured, non-interest bearing and repayable on demand	—	12	12

Choi Hon Hing, Fung Wing Ki, Vicky and Fung Wing Yee, Wynne are the directors of Gainbest Investments Limited.

21. Other Current Financial Assets (continued)

Bank balances and cash comprise cash held by the Group and short-term bank deposits carrying effective interest at 2.2% (2005: 1.4%) with an original maturity of three months or less. At the balance sheet date, the bank balances and cash of approximately HK$8,025,000 (2005: HK$3,439,000) was denominated in Renminbi which is not freely convertible into other currencies.

The directors consider that the carrying amount of the current financial assets listed above approximates their fair value.

22. Other Current Financial Liabilites

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 30 to 60 days. The aged analysis of trade payables is stated as follows:

	2006	2005
	HK$'000	*HK$'000*
0 to 30 days	5,816	6,159
31 to 60 days	2,743	3,099
61 to 90 days	621	1,331
91 to 180 days	1,311	59
	10,491	10,648

Trade payables, other payables and deposits received principally comprise amounts outstanding for trade purposes and ongoing costs.

The directors consider that the carrying amount of the current financial liabilities listed above approximates their fair value.

23. Derivative Financial Instruments

During the year ended 31st March, 2006, the Group entered into three investment schemes with banks. The investment schemes are denominated in Hong Kong Dollars. Under the investment schemes, the Group is a party to purchase listed equity securities at a series of predetermined times based on the price calculated by a pre-specified formula. All of the three contracts have a maximum term of one year. In the opinion of the directors, the investment schemes are determined based on quoted market prices for equivalent instruments at the balance sheet date. The Group had no derivative financial instruments as at 31st March, 2005.

The Group has executed a deed of charge in favour of the bank to facilitate the purchase of financial instruments. The deed is secured by the charge over the assets of the Group held by the bank, including investments held for trading, derivative financial instruments and bank balances and cash. At 31st March, 2006, total assets of the Group charged in favour of the bank were approximately HK$32,800,000.

24. Borrowings

	2006	2005
	HK$'000	*HK$'000*
Other borrowings - secured	780	1,649
The other borrowings are repayable as follows:		
Within one year	780	827
More than one year, but not exceeding two years	—	822
	780	1,649
Less: Amount due within one year shown under current liabilities	(780)	(827)
	—	822

The other borrowings are denominated in Euro which represent borrowings from an independent third party bearing an interest of 10.2% per annum and were secured by a freehold land and buildings of the Group. As the other borrowings are arranged at a fixed interest rate, which expose the Group to fair value interest rate risk.

The directors estimate the fair value of the other borrowings, by discounting its future cash flows at the market rate. The directors consider that the carrying amount of the other borrowings is not materially different from its fair value at the balance sheet date.

25. Share Capital

The Company was incorporated in the Cayman Islands 30th September, 2005. One ordinary share of HK$0.10 was issued and allotted, fully paid, to Codan Trust Company (Cayman) Limited on 30th September, 2005 and such share was transferred to Choi Hon Hing on the same date. As the Company was incorporated on 30th September, 2005 and did not make any profits since its incorporation, it had no reserves available for distribution as at each balance sheet date.

For the purpose of this report, the share capital as at 31st March, 2005 represented the issued capital of the Company's direct wholly owned subsidiary, Winbox (BVI) Limited, details are disclosed as follows:

	Number of share	Share capital	
		US$	*HK$'000*
Ordinary shares of US$1 each			
Authorised	50,000	50,000	390
Issued and fully paid			
At 1st April, 2004	440	440	3
Shares issued on allotment (Note)	20	20	1
At 31st March, 2005	460	460	4

The share capital as at 31st March, 2006 represented the aggregated share capital of the Company and Winbox (BVI) Limited.

Note: On 8th January, 2005, Winbox (BVI) Limited issued and allotted a total of 20 shares of US$1 each at premium to the shareholder, with a total consideration of US$839,000 (equivalent to HK$6,545,000). These shares rank pari passu in all respects with other shares in issue.

26. Pledge of Assets

Other than the deed secured by the charge over the assets of the Group as disclosed in note 23, at the balance sheet date, the Group has pledged leasehold buildings and freehold land and buildings with a net book value of HK$4,066,000 (2005: HK$4,168,000) and HK$1,432,000 (2005: HK$1,690,000) respectively to secure general banking facilities and other borrowings granted to the Group.

27. Acquisition of a Subsidary

Pursuant to the remaining share transfer undertaking agreement signed between Winbox (BVI) Limited and the other shareholder of Dardel dated 15th November, 2001, Winbox (BVI) Limited agreed to purchase the remaining 50% shares of Dardel from the other shareholder on the date following 3 years from 15th November, 2001 or such other date as may be agreed to by both parties in writing. On 27th May, 2004, Winbox (BVI) Limited agreed to purchase and the other shareholder agreed to sell the shares with an aggregate consideration of approximately HK$8,246,000 and part of the consideration was offset by the deposit previously paid.

	Acquiree's carrying amount before combination and fair value
	HK$'000
NET ASSETS ACQUIRED	
Property, plant and equipment	2,576
Available-for-sale investments	20
Inventories	6,272
Trade receivables	5,370
Other receivables, deposits and prepayments	483
Bank balances and cash	3,558
Trade payables	(3,723)
Other payables, deposit received and accruals	(2,456)
Amount due to a group company	(1,727)
Other borrowings	(2,074)
Taxation payable	(734)
Retirement benefit obligations	(858)
	6,707
Less: Interest previously acquired as interest in an associate	(3,354)
Goodwill	4,893
Total consideration	8,246
SATISFIED BY	
Deposit paid for an investment	2,668
Cash	5,578
	8,246
CASH OUTFLOW ARISING ON ACQUISITION	
Cash consideration	5,578
Bank balances and cash acquired	(3,558)
Net outflow of cash and cash equivalents in respect of the purchase of a subsidiary	2,020

27. Acquisition of a Subsidary (continued)

The goodwill arising on the acquisition is attributable to the acquisition of the management skills and expertise related to the European markets which are expected to increase the distribution of the Group's products in the European markets.

The subsidiary acquired during the year ended 31st March, 2005 contributed approximately HK$27,703,000 to the Group's revenue and HK$2,726,000 to the Group's profit for the year.

If the acquisition had been completed on 1st April, 2004, total Group's revenue for the year ended 31st March, 2005 would have been HK$142,719,000 and profit for the year would have been HK$29,946,000. The unaudited proforma information is for illustrative propose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st April, 2004 nor is it intended to be a projection of future results.

28. Major Non-Cash Transactions

The Group had the following major non-cash transactions for the year ended 31st March, 2005:

(i) The Group purchased the remaining shares of Dardel from the other shareholder of Dardel. The consideration for the purchase was partially offset by the deposit paid for an investment of approximately HK$2,668,000.

(ii) On 8th January, 2005, Winbox (BVI) Limited settled the dividend payable by issuance and allotment of shares to the shareholder. Details are set out in note 25.

29. Commitments

(i) At 31st March, 2006, the Group was committed to capital expenditure of approximately HK$210,000 in respect of the acquisition of property, plant and equipment contracted but not provided for in the financial statements.

(ii) At 31st March, 2006, the Group committed to purchase 8,000, 200 and 120 of the equity shares of China Construction Bank Corporation, Citigroup Inc. and Valero Energy Corporation respectively under three structured financial products for an aggregate amount of approximately HK$136,000 as at 31st March, 2006.

Other than as disclosed above, the directors confirmed that there were no significant commitments as at the balance sheet date.

30. Operating Lease Commitments

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2006	2005
	HK$'000	*HK$'000*
Within one year	3,810	2,861
In the second to fifth year inclusive	3,268	2,622
	7,078	5,483

Operating lease payments represent rentals payable by the Group for certain of its office and factory premises. Leases are negotiated for an average term of six years and rentals are fixed for an average of six years.

31. Potential Litigation

In August 2003, a German company (the "Claimant") issued a warning letter to one of the Group's customers regarding alleged infringement of certain registered intellectual property rights owned by the Claimant. No formal action has been brought against the Group, and the directors, after consulting the Group's German legal advisers and based on the current facts presented, believe that there is a good chance to restrict the scope of protection of the relevant intellectual property rights. Accordingly, the directors consider that the conclusion of this matter will not give rise to any additional liabilities for the Group.

32. Related Party Transactions

During the year, the Group had the following related party transactions:

	Notes	2006 *HK$'000*	2005 *HK$'000*
Trade sales to an associate		—	1,344
Interest income received from Goodwill International (Holdings) Limited ("Goodwill")	(a)	—	100
Rental income received from SBI E2-Capital Securities Limited ("SBI-E2")	(a)	27	108
Services fee paid to Teclink Development Limited ("Teclink")	(b)	128	45
Commission fee paid to Teclink	(a)	32	15

Notes:

(a) Fung Ka Pun, a director of Goodwill and SBI-E2, is the spouse of Choi Hon Hing.

(b) Fung Wing Ki, Vicky and her spouse, Yiu Ying Tong are directors of Teclink.

33. Retirement Benefit Schemes

The Group operated a pension scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance ("MPF Scheme"). The assets of the MPF Scheme are held separately in an independently administrated fund. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK$20,000. The contributions are charged to the income statement as incurred. In respect of employees who leave the MPF Scheme before the employer's voluntary contributions become fully vested, the relevant portion of the voluntary contributions forfeited will be refunded to the Group.

The employees of the Group's subsidiaries in the PRC and a subsidiary in France are members of state-managed retirement benefit schemes operated by respective local governments. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the income statement represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

33. Retirement Benefit Schemes (continued)

Defined benefit plan

The Group operates an unfunded defined benefit plan for qualifying employees of its subsidiary in France. Under the scheme, the employees are entitled to retirement benefits which varies according to the length of the service to the probable retirement age and monthly and annual remuneration of the employees. No other post-retirement benefits are provided.

The present value of the defined benefit obligation was measured using the projected unit credit method, based on the director's best estimate on the actuarial assumptions.

34. Post Balance Sheet Events

The following transactions took place subsequent to 31st March, 2006:

(a) The Group underwent a corporate reorganisation to rationalise the Group's structure in preparation for a listing of the Company's securities on The Stock Exchange of Hong Kong Limited, the details of which are set out in the Prospectus.

(b) On 10th May, 2006, every issued and unissued share of HK$0.10 was divided into two shares of HK$0.05 each.

(c) On 16th May, 2006, Choi Hon Hing transferred 2 shares to Boxmore Limited ("Boxmore") for cash at par.

(d) On 16th May, 2006, the authorised share capital of the Company increased from HK$390,000 to HK$100,000,000 divided into 2,000,000,000 shares of HK$0.05 each; and Boxmore as vendor and the Company as purchaser entered into a sale and purchase agreement whereby the Company acquired the entire issued capital of Winbox (BVI) Limited at a consideration to be satisfied by the allotment of 399,999,998 shares of the Company, credited as fully paid, to Boxmore.

(e) On 16th May, 2006, a Pre-Listing Share Option Scheme ("Pre-Listing Scheme") and a Share Option Scheme ("the Scheme") were adopted for the purpose of recognising and motivating the contributions of the eligible persons to the Company. The provisions of the Pre-Listing Scheme and the Scheme shall be valid and effective for a period of five years and ten years respectively from the date of their adoption. On 16th May, 2006, options to subscribe for 19,555,261 shares at HK$0.225 per Share were granted under the Pre-Listing Scheme to directors of the Company and employees of the Group. The management is still in the process of assessing the financial impact of the share options granted under the Pre-Listing Scheme.

(f) On 6th June, 2006, the Company completed its listing of 400,000,000 shares and the Company's shares were listed on the Main Board of the Stock Exchange.

35. Particulars of Principal Subsidiaries of the Company

Details of the Company's subsidiaries at 31st March, 2006 are as follows:

Name of subsidiary	Place of incorporation or registration/ operations	Class of share held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
Winbox (BVI) Limited	The British Virgin Islands ("BVI")	Ordinary	US$460	100%	–	Investment holding
Dardel	France	Ordinary	EUR470,000	–	100%	Trading of quality plastic and paper boxes for luxury consumer goods
Fairich Investment Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
First Light Investments Limited	The PRC	Ordinary	US$1	–	100%	Provision of sub-contracting services (inter group service)
Grand Cast Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
Winbox Company Limited	Hong Kong	Ordinary	Ordinary shares HK$5,500,000 Non-voting deferred shares HK$5,500,000	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Winbox Plastic Manufacturing (Shenzhen)	The PRC	Contributed capital	HK$12,000,000	–	100%	Manufacture and sale of quality plastic and paper boxes for luxury consumer goods and the provision of sub-contracting services (inter group service)

35. Particulars of Principal Subsidiaries of the Company (continued)

Name of subsidiary	Place of incorporation or registration/ operations	Class of share held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
Winpac Europe Limited	United Kingdom	Ordinary	£500,000	–	100%	Investment holding
Winpac International Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
Winpac Trading Co. Limited	Hong Kong	Ordinary	HK$500,000	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Winpac SARL	France	Ordinary	EUR10,000	–	100%	Property holding

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.