On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

RESULTS

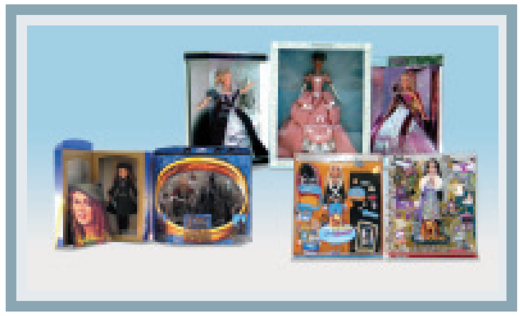
The Group reported a total revenue of approximately HK$554.3 million and a profit attributable to equity holders of approximately HK$40.7 million for the year ended 31 March 2006. Basic earnings per share was HK8.35 cents, based on the weighted average of 486,706,061 ordinary shares in issue during the year.

DIVIDENDS

The Directors recommended the payment of a final dividend of HK3 cents per share for the year ended 31 March 2006 to all shareholders whose names appear on the register of members of the Company on 7 September 2006. This, together with the interim dividend of HK1 cent per share already paid on 25 January 2006, will bring the total dividend for the year to HK4 cents per share.

BUSINESS REVIEW

For the year under review, the Group was able to achieve continuous steady growth in both of its total revenue and profit attributable to equity holders. At its dedicated effort and within an improved global market sentiment, the Group recorded a total revenue of approximately HK$554.3 million and a profit attributable to equity holders of approximately HK$40.7 million for the year ended 31 March 2006, which represented a growth of about 10.4% and 16.3% to that of the last corresponding year respectively. For the last corresponding year ended 31 March 2005, the total revenue was approximately HK$502.2 million and the profit attributable to equity holders was approximately HK$35.0 million. Gross profit margin of the Group has also improved from about 26.1% to about 27.5% through the Group's on-going strive for operational efficiency and stringent cost control measures.



Printing and manufacture of packaging boxes, including accompanying brochures, manuals and catalogues, together with the manufacture of children novelty books continued to be the Group's major business. For the year under review, the Group recorded a total revenue of approximately HK$425.2 million from this major business category, which represented an increase of about 10.9% over that of the previous year of approximately HK$383.4 million and accounted for about 76.7% of the Group's total revenue. The Group's effort in recent years to explore the overseas markets has seen positive results and which has helped contribute to the increased business in this major category. The operating environment has remained highly competitive. However, the necessary know how and delicate workmanship that the Group built up and developed within its solid manufacturing teams in recent years for innovative children novelty books has especially facilitated the Group to secure more orders of these kinds in the overseas markets, which are usually sophisticated products but with higher margins.

The Group's business in the manufacture of hangtags, labels, shirt paper boards and plastic bags continued to maintain its upwards momentum as well. Leverage on its production flexibility and focus on value added services, the revenue for the manufacture of hangtags, labels, shirt paper boards and plastic bag for the year ended 31 March 2006 has increased to approximately HK$58.3 million, which represented a growth of about 13.7% over that of the previous year of approximately HK$51.3 million and accounted for about 10.5% of the Group's total revenue. The Group has also seen an increase in the revenue of commercial printing. However, due to severe pricing competition, the increase was only at a moderate rate of 4.8%. For the year ended 31 March 2006, the revenue of the Group's commercial printing was approximately HK$70.8 million as compared to that of the corresponding year of approximately HK$67.5 million and accounted for about 12.8% of the Groups' total revenue. Both the manufacture of hangtags, labels, shirt paper boards and plastic bags as well as commercial printing have continued to make a satisfactory contribution towards the overall performance of the Group for the year under review.

The selling and distribution costs for the year ended 31 March 2006 has increased by about 10.2%, which was in line with the increase in the Group's total revenue of about 10.4%. For the year under review, the administrative expenses have increased by about 16.3%, which was mainly due to the write off of a provision for impairment on receivables in the amount of approximately HK$1.9 million following a final settlement with an overseas customer of its long overdue account. A provision for impairment on receivables in the amount of about HK$2.5 million has also been made to an overseas customer which has filed for Chapter 11 in the United States in May 2006. Had such write-off and provision been excluded, the administrative expenses have only increased by 10.7%, which was in line with the increase in the Group's total revenue. The Group will continue to closely monitor its credit that are allowed to its customers through its tight credit appraisal procedures in place.

The Group's printing business continued to provide positive and steady contributions both in terms of operating profit and cashflow. For the year under review, out of the profit attributable to the equity holders of approximately HK$40.7 million after finance costs and taxation charges, approximately HK$3.4 million were write backs of revaluation deficits no longer required on the Group's leasehold land and buildings and change in fair values on the Group's investment properties as a result of the continued recovery of the property markets in Hong Kong. Had such write backs and change in fair values been excluded, the Group's overall printing business profit attributable to equity holders after finance costs and taxation charges for the year ended 31 March 2006 would have been at approximately HK$37.2 million. Last corresponding year ended 31 March 2005, the Group reported a profit attributable to equity holders of approximately HK$35.0 million after finance costs and taxation charges and with write backs of revaluation deficits no longer required on the Group's leasehold land and buildings and change in fair values on the Group's investment properties of approximately HK$4.0 million in total. Had such write backs and change in fair values been excluded, the Group's overall printing business profit attributable to equity holders after finance costs and taxation charges for the year ended 31 March 2005 would have been at approximately HK$31.0 million as compared to that of the year under review at approximately HK$37.2 million.

The Group's production base in Shanghai to manufacture labels and hangtags has been in operation during the fourth quarter of the year under review. Because of the initial set up costs, it is yet to record a profit. However, it is anticipated that the Shanghai production base will make a satisfactory returns to the Group over the long run by its being capable of supplying quality products to the eastern and northern China markets, which are areas with growth potentials.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. The Group is financially sound and its cash position remains strong. As at 31 March 2006, the Group has available aggregate banking facilities of approximately HK$126.1 million which were secured by legal charges on certain properties and financial assets at fair value through profit and loss owned by the Group. The Group's cash and bank balances and short term bank deposits as at 31 March 2006 amounted to approximately HK$98.5 million. The Group's gearing ratio as at 31 March 2006 was 9.9% (31 March 2005: 7.1%), basing on the short term and long term interest bearing bank borrowings of HK$38 million (31 March 2005: HK$25.3 million) and the shareholders fund of HK$381.7 million (31 March 2005: HK$356.6 million).

PROSPECTS

The Directors believe that the operating environment will continue to be tough for the coming year. Intensive pricing competition as well as increasing operating costs within the mainland China have already imposed increasing pressure to manufacturers across the board. Labour supply, power shortage, rising fuel prices, higher material costs, increased minimum wages along with the appreciating Reminbi have all pushed up the overall operating costs and made it more difficult to stay competitive without at the expense of reduced profit margin. To meet all these anticipated challenges, the Group is committed to enhance its productivity and efficiency. Focus will be made to streamline its operation procedures, provide thorough training to the production teams, implement effective internal controls, maintain well planned logistics and keep abreast of latest market trend as well as production technology. Further endeavour will also be made to sustain customers loyalty as well as to explore broader customers base.

The Directors believe that with its solid foundation and committed focus and endeavour, the Group is well positioned to maintain its competitiveness and meet the ever increasing challenges within the marketplace.

EXCHANGE RATE EXPOSURE

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. For the year ended 31 March 2006, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars, Renminbi and US dollars were relatively stable and no hedging for foreign currency transactions has been carried out.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2006, the Group had an available workforce of 2,870, of which 2,685 were based in the People's Republic of China.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

CONTINGENT LIABILITIES AND CHARGES ON ASSETS

As at 31 March 2006, corporate guarantee amounting to HK$104.9 million was given to banks by the Company for the provision of general banking facilities granted to the Group's subsidiaries, which were secured by legal charges on certain properties owned by the Group with a total net book value of approximately HK$37.5 million.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 March 2006.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our staff for their dedication and contribution and our customers, suppliers, business associates and shareholders for their continuous support.

By Order of the Board
Lui Chi
Chairman

Hong Kong, 24 July 2006