



CHUNG TAI PRINTING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 55)

**INTERIM REPORT
SIX MONTHS ENDED 30 SEPTEMBER 2006**

Deloitte.

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INDEPENDENT INTERIM REVIEW REPORT

TO THE BOARD OF DIRECTORS OF CHUNG TAI PRINTING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 2 to 13.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules) require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 September 2006.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

13 December 2006

GROUP INTERIM RESULTS

The directors of Chung Tai Printing Holdings Limited (the “Company”) are pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended	
		30.9.2006 (Unaudited) HK\$'000	30.9.2005 (Unaudited) HK\$'000
Revenue	3	381,984	361,671
Cost of Sales		(297,486)	(268,520)
Gross profit		84,498	93,151
Interest income		1,255	956
Fair value changes on investments held for trading		1,131	(17)
Other income		50	94
Distribution costs		(16,478)	(13,637)
Administrative expenses		(32,371)	(26,844)
Interest on bank borrowings wholly repayable within five years		(198)	(262)
Profit before taxation		37,887	53,441
Taxation	4	(3,004)	(5,465)
Profit for the period	5	<u>34,883</u>	<u>47,976</u>
Dividends	6		
– Interim dividend proposed		<u>9,304</u>	<u>9,304</u>
– Final dividend paid		<u>19,937</u>	<u>19,937</u>
Earnings per share			
– Basic	7	<u>10.5 cents</u>	<u>14.4 cents</u>

**CONDENSED CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2006**

		30.9.2006	31.3.2006
		(Unaudited)	(Audited)
	Notes	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	251,230	244,352
Prepaid lease payments		3,384	3,429
Deposits for land use right		32,059	30,000
		286,673	277,781
Current assets			
Inventories		84,812	82,723
Trade and other receivables	9	231,068	169,432
Prepaid lease payments		89	89
Investments held for trading		29,766	28,635
Short-term bank deposits		49,196	59,072
Bank balances and cash		20,303	28,691
		415,234	368,642
Current liabilities			
Trade and other payables	10	98,333	67,478
Taxation payable		5,326	2,483
Bank borrowings	11	9,344	6,727
		113,003	76,688
Net current assets		302,231	291,954
Total assets less current liabilities		588,904	569,735
Non-current liability			
Deferred taxation	12	15,643	15,694
Net assets		573,261	554,041
CAPITAL AND RESERVES			
Share Capital	13	33,228	33,228
Reserves		540,033	520,813
Shareholders' funds		573,261	554,041

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2005	33,228	73,718	63	-	413,660	520,669
Exchange differences arising on translation of foreign operations recognised directly in reserve	-	-	-	4,412	-	4,412
Profit for the period	-	-	-	-	47,976	47,976
Total recognised income for the period	-	-	-	4,412	47,976	52,388
Dividends paid	-	-	-	-	(19,937)	(19,937)
At 1 October 2005	33,228	73,718	63	4,412	441,699	553,120
Exchange differences arising on translation of foreign operations recognised directly in reserve	-	-	-	744	-	744
Profit for the period	-	-	-	-	9,481	9,481
Total recognised income for the period	-	-	-	744	9,481	10,225
Dividends paid	-	-	-	-	(9,304)	(9,304)
At 31 March 2006	33,228	73,718	63	5,156	441,876	554,041
Exchange differences arising on translation of foreign operations recognised directly in reserve	-	-	-	4,274	-	4,274
Profit for the period	-	-	-	-	34,883	34,883
Total recognised income for the period	-	-	-	4,274	34,883	39,157
Dividends paid	-	-	-	-	(19,937)	(19,937)
At 30 September 2006	<u>33,228</u>	<u>73,718</u>	<u>63</u>	<u>9,430</u>	<u>456,822</u>	<u>573,261</u>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

	Six months ended	
	30.9.2006	30.9.2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash from operating activities	24,561	3,312
Net cash used in investing activities:		
Cash paid for acquisition of investments held for trading	–	(15,611)
Proceeds from disposal of investments held for trading	–	7,800
Purchases of property, plant and equipment	(24,703)	(3,700)
Other investing cash flows	(804)	912
	(25,507)	(10,599)
Net cash (used in) from financing activities		
Dividends paid	(19,937)	(19,937)
Other financing cash flows	2,619	34,179
	(17,318)	14,242
Net (decrease) increase in cash and cash equivalents	(18,264)	6,955
Cash and cash equivalents at beginning of the period	87,763	86,163
Cash and cash equivalents at end of the period	69,499	93,118
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits	49,196	30,631
Bank balances and cash	20,303	62,487
	69,499	93,118

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2006 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC) - INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC) - INT 8	Scope of HKFRS 2 ³
HK(IFRIC) - INT 9	Reassessment of embedded derivatives ⁴
HK(IFRIC) - INT 10	Interim financial reporting and impairment ⁵

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 March 2006

³ Effective for annual periods beginning on or after 1 May 2006

⁴ Effective for annual periods beginning on or after 1 June 2006

⁵ Effective for annual periods beginning on or after 1 November 2006

3. REVENUE

Revenue represents the net amounts received and receivable for goods sold by the Group during the period.

Geographical Segments

The location of customers is the basis on which the Group reports its primary segment information.

The following is an analysis of the Group's revenue and results for the six months ended 30 September 2006 and 2005 by location of customers.

Income statement for the six months ended 30 September 2006

	Hong Kong	Other regions in the People's Republic of China ("PRC")	United States of America	Europe	Other	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	<u>232,521</u>	<u>45,838</u>	<u>38,024</u>	<u>16,456</u>	<u>49,145</u>	<u>381,984</u>
Segment result	<u>22,419</u>	<u>4,420</u>	<u>3,666</u>	<u>1,587</u>	<u>4,738</u>	36,830
Interest income						1,255
Interest expense						<u>(198)</u>
Profit before taxation						37,887
Taxation						<u>(3,004)</u>
Profit for the period						<u>34,883</u>

3. REVENUE (Continued)

Income statement for the six months ended 30 September 2005

	Hong Kong	Other regions in the PRC	United States of America	Europe	Other	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	<u>242,990</u>	<u>23,902</u>	<u>48,267</u>	<u>10,266</u>	<u>36,246</u>	<u>361,671</u>
Segment result	<u>35,439</u>	<u>3,486</u>	<u>7,039</u>	<u>1,497</u>	<u>5,286</u>	52,747
Interest income						956
Interest expense						(262)
Profit before taxation						53,441
Taxation						<u>(5,465)</u>
Profit for the period						<u>47,976</u>

The profit for the six-month period ended 30 September accounts for a substantial portion of the total annual profit because the period from June to September is the high season for the industry. In view of the seasonal factor, the directors of the Company considered such profit pattern as normal and healthy.

4. TAXATION

	Six months ended	
	30.9.2006	30.9.2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Current tax for the period:		
Hong Kong	2,780	5,971
Other jurisdictions	275	490
	3,055	6,461
Deferred taxation (note 12):		
Current period	(51)	(996)
	3,004	5,465

4. TAXATION (Continued)

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2006	30.9.2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	19,021	18,927
Prepaid lease payments charged to income statement	45	45
Write-down of inventories (<i>Note</i>)	1,700	3,737
	<u>19,766</u>	<u>22,709</u>

Note: Write-down of inventories represented the write-down of printing materials which became obsolete during the period.

6. DIVIDENDS

	Six months ended	
	30.9.2006	30.9.2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend proposed	9,304	9,304
	<u>9,304</u>	<u>9,304</u>

Subsequent to the balance sheet date, the directors determined that an interim dividend of HK2.8 cents (1.4.2005 to 30.9.2005: HK2.8 cents) per share be paid to the shareholders of the Company whose names appear on the Register of Members on 10 January 2007.

Based on the number of shares outstanding of 332,277,280 (30.9.2005: 332,277,280), total proposed interim dividend amounts to approximately HK\$9,304,000 (1.4.2005 to 30.9.2005: HK\$9,304,000).

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended	
	30.9.2006	30.9.2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share	<u>34,883</u>	<u>47,976</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>332,277,280</u>	<u>332,277,280</u>

No dilutive potential shares were outstanding during the six months periods ended 30 September 2006 and 30 September 2005. Accordingly, no diluted earnings per share is presented.

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$24,703,000 on additions to manufacturing plant in the PRC to expand its manufacturing capacity.

9. TRADE AND OTHER RECEIVABLES

The Group's credit terms on sales generally range from 60 to 90 days. A longer period is granted to a few customers with whom the Group has a good business relationship and which are in sound financial condition.

An aged analysis of the trade receivables is as follows:

	30.9.2006	31.3.2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0-30 days	84,710	62,806
31-60 days	69,756	34,328
61-90 days	37,477	31,141
over 90 days	29,007	34,860
	220,950	163,135
Deposits, prepayments and other debtors	<u>10,118</u>	<u>6,297</u>
	<u>231,068</u>	<u>169,432</u>

10. TRADE AND OTHER PAYABLES

An aged analysis of the trade payables is as follows:

	30.9.2006	31.3.2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0-30 days	34,003	26,639
31-60 days	35,277	17,638
61-90 days	10,482	4,502
over 90 days	4,808	7,010
	84,570	55,789
Accrued expenses and other payables	13,763	11,689
	98,333	67,478

The age of the bills payable is ranged from 30 to 60 days.

11. BANK BORROWINGS

The bank borrowings are unsecured bank import loans mainly denominated in Hong Kong dollars and United States dollars which are repayable within one year.

During the period, the Group has raised and repaid bank import loans of approximately HK\$22,742,000 and HK\$20,125,000 respectively.

12. DEFERRED TAXATION

The followings are the major deferred tax liability and asset recognised by the Group and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation	Tax losses	Total
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
At 1 April 2005	17,904	(757)	17,147
Credit to income for the period	<u>(989)</u>	<u>(7)</u>	<u>(996)</u>
At 30 September 2005	16,915	(764)	16,151
Credit to income for the period	<u>(457)</u>	<u>-</u>	<u>(457)</u>
At 31 March 2006	16,458	(764)	15,694
Credit to income for the period	<u>(40)</u>	<u>(11)</u>	<u>(51)</u>
At 30 September 2006	<u><u>16,418</u></u>	<u><u>(775)</u></u>	<u><u>15,643</u></u>

At 30 September 2006, the Group has estimated unused tax losses of approximately HK\$14,615,000 (31.3.2006: HK\$14,409,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$4,430,000 (31.3.2006: HK\$4,368,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$10,185,000 (31.3.2006: HK\$10,041,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

13. SHARE CAPITAL

	Number of shares	Share capital
		<u>HK\$'000</u>
Ordinary shares of HK\$0.10 each		
Authorized:		
At 1 April 2005, 31 March 2006 and 30 September 2006	<u>500,000,000</u>	<u>50,000</u>
Issued and fully paid:		
At 1 April 2005, 31 March 2006 and 30 September 2006	<u>332,277,280</u>	<u>33,228</u>

There was no movement in the Company's share capital during the period.

14. CAPITAL COMMITMENTS

	<u>30.9.2006</u>	<u>31.3.2006</u>
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the financial statements	<u>9,947</u>	<u>9,788</u>

15. CONTINGENT LIABILITIES

A subsidiary of the Company together with two former employees are defendants in a lawsuit in the PRC relating to a claim of approximately HK\$3,000,000 by a plaintiff for copyright infringement of a printing technology claimed to be owned by the plaintiff. On 21 September 2006, the court has made a judgement in favor of the plaintiff and accordingly, the subsidiary of the Company is liable for an indemnity of approximately HK\$630,000. The subsidiary of the Company has filed an appeal to the court. While the final outcome of the proceeding is uncertain, in the directors' opinion, the ultimate liability of the Group, if any, will not have a material impact upon the Group's financial position.

16. RELATED PARTY TRANSACTIONS

(a) During the six months ended 30 September 2006, the Group sold goods of approximately HK\$50,000 (1.4.2005 to 30.9.2005: HK\$235,000) to a related company. Dr. Suek Chai Kit, Christopher, director of the Company, is one of the shareholders of the related company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<u>30.9.2006</u>	<u>30.9.2005</u>
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term benefits	2,780	2,614
Post-employment benefits	130	127
	<u>2,910</u>	<u>2,741</u>

17. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 13 December 2006.

INTERIM DIVIDEND

The Board has recommended an interim dividend of HK2.8 cents per share for the six months ended 30 September 2006 payable on or before 18 January 2007 to shareholders whose names appear on the Register of Members on 10 January 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 4 January 2007 to 10 January 2007 both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrar in Hong Kong, Secretaries Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 3 January 2007.

REVIEW OF FINANCIAL RESULTS

The Group's consolidated revenue reached HK\$382 million for the six months ended 30 September 2006, representing a slight sales growth of 5.6% as compared to the corresponding period last year. The gross profit for the period under review has decreased to HK\$84 million, 22.1% of revenue, from the corresponding period last year of HK\$93 million. The gross profit percentage has greatly reduced by 3.7% from the same period last year's 25.8%. The net profit for the period dropped by 27.3% from HK\$48 million to HK\$35 million. The net profit margin accounted for 9.1% of the revenue, great variance to the same period last year with 13.3% of the revenue.

BUSINESS REVIEW AND PROSPECTS

During the period, the Group was still facing the threats in fierce operating environment. The enduring high oil price, rising material prices, increasing minimum wages of China labour and appreciating value in RMB were crucial elements which imposed an impact on the Group's performance. This undoubtedly reflected in our decreased gross profit margin and net profit margin. The Group will foresee the competition in the market approaching to challenges and difficulties ahead.

Within the period under review, the distribution costs notably raised by about 20.8% to HK\$16 million compared with the corresponding period last year. The administrative expenses amounted to HK\$32 million, soaring by about 20.6% from the last corresponding period. In order to reduce the significant increase of the distribution and administrative costs, Shenzhen office and its operation will move to our Heng Gang factory. This will hence uplift combination synergy. Management will also implement stringent cost control measures in the coming years.

The Group had capital expenditures totalling HK\$25 million (1.4.2005–30.9.2005: HK\$4 million), and principally composed of production facilities, plant and machinery and computer equipment. In the second half of the year, the Group will further enhance its production capabilities, and promote the efficiency of our existing facilities to maximize the profitability and the shareholders' return.

During the period, the project of a new plant set up in Qingyuan of Guangdong province has been being implemented. It is now acquiring the land use right in Qingyuan. Such large investment is believed to further boost production capabilities. In addition to the relative low-cost benefits in Qingyuan, synergies will be achieved through economies of scale, resources and technology sharing among our factories in Shenzhen.

The Group will continue to develop sound business strategies and successful positioning in the market segment. Such serves to be the key revenue drivers of the Group. To cope with the Group's strategies, the Group is committed to put great effort on exploring new market, maintaining close partnership with our existing customers, and sourcing new materials to produce quality goods at competitive prices.

LIQUIDITY AND FINANCIAL POSITION

As at 30 September 2006, the Group had approximately HK\$20 million in cash on hand. The current ratio stood at 3.7, reflecting ample cash flow and maintaining a stable liquidity position over the period under review. The Group's bank balances and cash and short-term bank deposits were approaching HK\$60 million, after deducting bank borrowings of HK\$9 million (31 March 2006: HK\$7 million). The gearing ratio was 1.6% (31 March 2006: 1.2%), which is calculated based on the Group's total borrowings of HK\$9 million (31 March 2006: HK\$7 million) and the shareholders fund of HK\$573 million (31 March 2006: HK\$554 million).

At 30 September 2006, the Group had working capital surplus of HK\$302 million (31 March 2006: HK\$292 million), which primarily comprised inventories of HK\$85 million, trade and other receivables of HK\$231 million, investments held for trading of HK\$30 million, and bank balances, cash and short-term deposits of HK\$69 million, and less trade and other payables HK\$98 million, taxation payable HK\$5 million and bank borrowings HK\$9 million.

The Group's transactions are mainly denominated in Hong Kong dollars, Renminbi and United States dollars and the foreign currency risk exposure is not significant during the period under review. The recent appreciation of Renminbi may have negative but immaterial influence to the Group. During the period, the Group did not use any financial instruments for hedging purpose and not have any hedging instruments outstanding as at 30 September 2006.

The Group generally finances its operation with internally generated cash flows and facilities provided by banks in Hong Kong. The high level of operating cash position continued to be maintained, thus reflecting the strength of its operating performance. Considering the anticipated internally generated funds and available banking facilities, the management believes that the Group has adequate resources to meet its future capital expenditures and working capital requirements. The management will continue to exercise a prudent policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business. In the event of coming large project in Qingyuan, the Group will take consideration on the fund planning to adequately finance such material investment.

EMPLOYEE

As at 30 September 2006, the total number of employees of the Group was approximately 4,600.

The remuneration schemes are generally structured with reference to market conditions and the qualifications of the employees. The reward packages of the Group's staff are normally reviewed on an annual basis based on the staff and the Group's performances. Aside from salary payment, other staff benefits include contribution to a Retirement Benefit Scheme and medical insurance provided to eligible employees. In-house and external training programmes are also provided as and when required.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2006, the following shareholders have interests, directly or indirectly, in the shares and underlying shares which would fall to be disclosed to the Company and the Stock Exchange under provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Number of shares held	Percentage of issued share capital
CNA Company Limited	185,660,000	55.88
Goodhope Assets Limited	19,120,000	5.75

Save as disclosed above, the directors were not aware of any other person (other than the directors or chief executive of the Company) who has an interest, directly or indirectly, or short position in the shares and underlying shares which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2006, the directors and their associates have the following interests in shares of the Company or any of its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the "SFO"), as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code")):

Shares in the Company

Name of director	Personal interests	Number of shares held			Total interests
		Corporate interests	Other interests		
Dr. Suek Chai Kit, Christopher	13,700,000	–	185,660,000 <i>(note 1)</i>	199,360,000	
Ms. Ng Wai Chi	10,170,000	–	–	10,170,000	
Mr. Suek Che Hin	–	19,120,000 <i>(note 2)</i>	–	19,120,000	

Notes:

1. These shares were beneficially owned by CNA Company Limited ("CNA") which in turn is beneficially owned by the CNA Trust, a discretionary trust whose objects include the children of Dr. Suek Chai Kit, Christopher.
2. These shares were beneficially owned by Goodhope Assets Limited, a company in which family member of Mr. Suek Che Hin has a beneficial interest.

Save as disclosed above, none of the directors and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code at 30 September 2006.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Details of the discloseable connected transaction and directors' interests in contracts for the current period are set out in note 16 to the financial statements.

The independent non-executive directors of the Company have reviewed and confirmed that the connected transaction as set out in note 16 to the financial statements entered into by the Group were in the ordinary course of its business and on normal business terms.

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the current period.

REVIEW OF INTERIM RESULTS

The interim report of the Group for the six months ended 30 September 2006 has not been audited, but has been reviewed by Audit Committee of the Board and the Group's auditors, Messrs Deloitte Touche Tohmatsu.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its share during the six months ended 30 September 2006. Neither the Company nor any of its subsidiaries has purchased or sold any shares in the company during the period.

CODE ON CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE

The Company is committed to maintaining high standards of corporate governance for a transparent, responsible and accountable management that is focused on enhancing the development of the Company and its value.

In the Corporate Governance Report which was published in the Company's 2006 Annual Report, it was reported that the Company has complied with most of the Code Provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") save for certain deviations, details of which were given in the Annual Report.

During the six months ended 30 September 2006, the Company made certain progress in its corporate governance practices which are summarized as follows:

Board Composition

Mr. Tse Tin Tai and Mr. Lai Sai Wo, Ricky were appointed as an independent non-executive director and company secretary of the Company respectively to fill the vacancies left by the resignation of Tse Po Lau, Paul with effect from 29 August 2006.

Appointment and Succession Planning of Directors

To conform with Code Provisions A.4.1 and A.4.2 of the CG Code, a special resolution was passed at the 2006 annual general meeting of the Company to amend the Company's Bye-laws which provide that all directors including Chairman and Managing Director shall be subject to retirement by rotation once every three years and any new director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after his/her appointment.

Board Committee

Mr. Chan Kwing Choi, Warren, an independent non-executive director, was appointed to the Audit Committee on 29 August 2006 so that the Audit Committee of the Company currently comprises a non-executive director and two independent non-executive directors, one of whom with appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by the Directors. All Directors have confirmed that, in respect of the six months ended 30 September 2006, they have complied with the required standard set out in the Model Code regarding securities transactions by the Directors.

On behalf of the Board
Chung Tai Printing Holdings Limited
Dr. Suek Chai Kit, Christopher
Chairman

Hong Kong, 13 December 2006