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## 1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2006 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include the relevant new HKASs and Interpretations) issued by the HKICPA effective for the accounting period commencing on or after 1 January 2006. The applicable new/revised HKFRSs adopted in this interim financial statements are set out below:

HKAS 19 (Amendment)	Employee benefits – Actuarial gains and losses, group plans and disclosures
HKAS 21 (Amendment)	The effects of changes in foreign exchange rate – Net investment in a foreign operation
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – The fair value option
HKAS 39 & HKFRS 4 (Amendments)	Financial instruments – Recognition and measurement and insurance contracts – Financial guarantee contracts
HKFRS – INT 4	Determining whether an arrangement contains a lease

The adoption of the above new/revised HKFRSs did not have any material effect on how the results of operations and financial position of the Group are prepared and presented.

The Group has not early applied the following new/revised standards, amendments and 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 financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures <sup>1</sup>
HKFRS 7	Financial instruments: Disclosure <sup>1</sup>
HK(IFRIC) – INT 8	Scope of HKFRS 2 <sup>4</sup>
HK(IFRIC) – INT 9	Reassessment of embedded derivatives <sup>3</sup>
HK(IFRIC) – INT 10	Interim financial reporting and impairment <sup>2</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for accounting periods beginning on or after 1 November 2006.

<sup>3</sup> Effective for accounting periods beginning on or after 1 June 2006

<sup>4</sup> Effective for accounting periods beginning on or after 1 May 2006.

## 2. Revenue

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered during the period after eliminations of all significant intra-group transactions.

## 3. Segmental information

The following tables present the Group's revenue and results for the period, analysed by business segments and geographical segments, are as follows:

### Business segments

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Commercial printing		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Eliminations		Consolidated	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
Segment revenue:										
Sales to external customers	250,594	283,211	41,283	37,802	28,130	27,418	-	-	320,007	348,431
Intersegment sales	-	-	249	42	27	50	(276)	(92)	-	-
<b>Total</b>	<b>250,594</b>	<b>283,211</b>	<b>41,532</b>	<b>37,844</b>	<b>28,157</b>	<b>27,468</b>	<b>(276)</b>	<b>(92)</b>	<b>320,007</b>	<b>348,431</b>
Segment results	15,442	23,380	7,313	4,565	5,620	5,961	-	-	28,375	33,906
Interest income									1,650	1,252
Unallocated expenses									-	-
Profit from operations									30,025	35,158
Finance costs									(799)	(645)
Profit before income tax									29,226	34,513
Income tax expense									(5,223)	(5,317)
Profit for the period									24,003	29,196

### 3. Segmental information (Continued)

#### Geographical segments

	Hong Kong		Elsewhere in the PRC		Europe and other countries		Consolidated	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30 September		30 September		30 September		30 September	
	2006	2005	2006	2005	2006	2005	2006	2005
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	249,462	272,332	17,250	12,020	53,295	64,079	320,007	348,431

### 4. Profit from operations

	For the six months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit from operations is arrived at after charging:		
Amortisation of prepaid lease payments	187	187
Depreciation of property, plant and equipment	13,259	13,680

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Amortisation of prepaid lease payments	187	187
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### 5. Other operating income

	For the six months ended 30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	1,650	1,252
Dividend income from listed investments	196	177
Rental income	1,099	1,014
Gain on disposal of property, plant and equipment	218	–
Gain on disposal of listed investments	–	679
Others	18	31
Fair value gain on financial assets at fair value through profit or loss	141	282
	3,322	3,435

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	3,322	3,435

## 6. Income tax expense

	For the six months ended 30 September	
	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
The charge comprises:		
Hong Kong profits tax	4,004	4,300
Overseas profits tax	744	1,017
Deferred tax	475	-
	<b>5,223</b>	<b>5,317</b>

Hong Kong profits tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the six months ended 30 September 2006. Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the relevant jurisdictions in which the Group operates.

## 7. Interim dividends

	For the six months ended 30 September	
	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
Interim dividend of HK1 cent (2005: HK1 cent) per ordinary share	4,867	4,867

The Directors have resolved to declare an interim dividend of HK1 cent per share (2005: HK1 cent per share) for the six months ended 30 September 2006, payable on or before 31 January 2007 to shareholders whose names appear on the Register of Members of the Company on 26 January 2007. The interim dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date but reflected as an appropriation of retained profits for the period ended 30 September 2006.

## 8. Earnings per share

The calculation of basic earnings per share is based on the Group's unaudited consolidated profit attributable to equity holders of the Company for the period ended 30 September 2006 of approximately HK\$24,145,000 (2005: HK\$29,329,000) and on 486,706,061 (2005: 486,706,061) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period ended 30 September 2006 is based on the Group's unaudited consolidated profit attributable to equity holders of the Company of approximately HK\$24,145,000 (2005: HK\$29,329,000). The number of ordinary shares used in the calculation is 486,706,061 ordinary shares in issue (2005: 486,706,061), as used in the basic earnings per share calculation, plus weighted average of 343,122 (2005: 297,515) ordinary shares assumed to have been issued at no consideration, on the deemed exercise of all share options during the period.

### 9. Movement in property, plant and equipment

During the period, the Group spent approximately HK\$5,784,771 on plant and machinery in order to upgrade its manufacturing capacities.

### 10. Trade and bills receivables

Trade receivables generally have credit terms of 30 to 120 days.

At 30 September 2006, the aging analysis of the trade and bills receivables based on invoiced date and net of provisions, is as follows:

	As at	
	30 September 2006 (Unaudited) HK\$'000	31 March 2006 (Audited) HK\$'000
Current to 30 days	56,849	43,163
31 – 60 days	61,159	17,427
61 – 90 days	45,923	22,344
Over 90 days	29,402	27,543
	193,333	110,477

### 11. Financial assets at fair value through profit or loss

	As at	
	30 September 2006 (Unaudited) HK\$'000	31 March 2006 (Audited) HK\$'000
Hong Kong listed equity investments	1,272	3,839
Hong Kong unlisted equity investments	2,372	–
Overseas listed equity investments	6,056	8,071
Overseas unlisted equity investments	10,895	4,314
Overseas listed debt investments	1,576	–
Overseas unlisted debt investments	2,305	19,648
	24,476	35,872

### 12. Trade payables and amount due to a related company

	30 September 2006 (Unaudited) HK\$'000	31 March 2006 (Audited) HK\$'000
Trade payables	124,449	64,790
Amount due to a related company	1,800	206
	126,249	64,996

**12. Trade payables and amount due to a related company** (Continued)

The amount due to a related company is trading in nature. At 30 September 2006, the aging analysis of the trade payables including amount due to a related company, based on invoiced date, is as follows:

	<b>30 September 2006 (Unaudited) HK\$'000</b>	31 March 2006 (Audited) HK\$'000
Current to 30 days	<b>31,205</b>	28,068
31 to 60 days	<b>39,402</b>	12,989
61 to 90 days	<b>34,492</b>	7,860
Over 90 days	<b>21,150</b>	16,079
	<b>126,249</b>	64,996

**13. Share capital**

	<b>30 September 2006 (Unaudited) HK\$'000</b>	31 March 2006 (Audited) HK\$'000
<i>Authorised:</i>		
800,000,000 ordinary shares of HK\$0.1 each	<b>80,000</b>	80,000
<i>Issued and fully paid:</i>		
486,706,061 ordinary shares of HK\$0.1 each	<b>48,671</b>	48,671

**14. Contingent liabilities and charge on assets**

At 30 September 2006, the Company provided corporate guarantees to banks for the provision of general banking facilities to its subsidiaries to the extent of HK\$104,900,000 (31 March 2006: HK\$104,900,000).

The amount of banking facilities utilised by the Group amounted to HK\$46,221,000 as at 30 September 2006 (31 March 2006: HK\$39,285,000).

At 30 September 2006, certain of the Group's properties amounting to HK\$33,261,000 (31 March 2006: certain of the Group's properties and financial assets of HK\$39,760,000) were pledged to secure general banking facilities granted to the Group.

## 15. Capital commitments

	<b>Group As at</b>	
	<b>30 September 2006 (Unaudited) HK\$'000</b>	31 March 2006 (Audited) HK\$'000
Contracted for acquisition of property, plant and equipment	4,801	2,012
Investment in a subsidiary in the PRC	–	3,300
	<b>4,801</b>	<b>5,312</b>

## 16. Related party transactions

The following transactions were carried out with a related party, which is a minority shareholder of a subsidiary:

	<b>For the six months ended 30 September 2006 (Unaudited) HK\$'000</b>	2005 (Unaudited) HK\$'000
Commission	2,808	1,900
Sales of goods	1,220	734
	<b>4,028</b>	<b>2,634</b>

## 17. Post balance sheet event

On 15 November 2006, the Group entered into five sale and purchase agreements with 深圳卓越房地產開發有限公司 (for identification purpose only, in English, Shenzhen Excellence Properties Development Limited) to acquire five office units in a commercial building, namely, Excellence Times Square, situated in the city centre of Shenzhen for its own use, for an aggregate consideration of approximately RMB22.2 million (equivalent to approximately HK\$22.0 million). 40% of the aggregate consideration, amounted to RMB8,907,937 (equivalent to approximately HK\$8.8 million) was paid by the Group in cash from its internal resources upon signing of the sale and purchase agreements, with the balance, amounted to RMB13,300,000 (equivalent to approximately HK\$13.2 million), settled by a bank mortgage loan which has already been arranged by the Group before 22 November 2006. The transactions contemplated under the sale and purchase agreements have been officially registered by 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management). It is expected that completion of the sale and purchase agreements will take place in January 2007. The sale and purchase agreements constitute a discloseable transaction under Rule 14.06 of the Listing Rules and a circular containing details of the acquisition of these five office units was dispatched to the Group's shareholders on 11 December 2006.