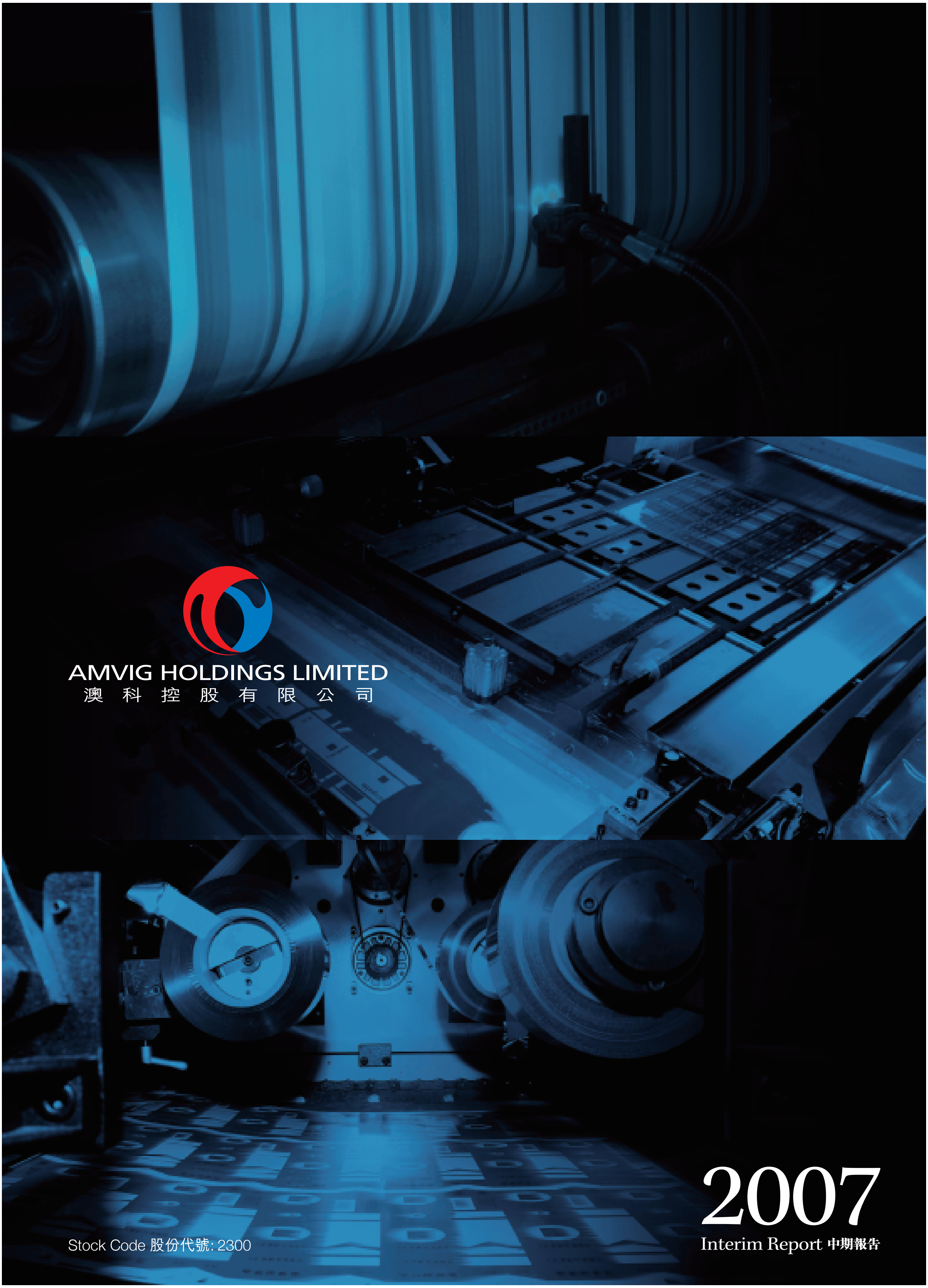


AMVIG HOLDINGS LIMITED
澳 科 控 股 有 限 公 司

Stock Code 股份代號: 2300

2007
Interim Report 中期報告

Contents

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chan Chew Keak, Billy - Chairman
Mr. Chan Sai Wai - Vice Chairman
Mr. Ng Sai Kit
Mr. Lee Cheuk Yin, Dannis
Mr. Li Shui Dang

NON-EXECUTIVE DIRECTORS

Mr. David John Cleveland Hodge
Mr. Saw Kee Team, Alan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

AUDIT COMMITTEE

Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

REMUNERATION COMMITTEE

Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

NOMINATION COMMITTEE

Mr. Chan Chew Keak, Billy
Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Lee Cheuk Yin, Dannis, CPA

AUDITORS

RSM Nelson Wheeler

PRINCIPAL BANKERS

ABN AMRO Bank N.V.
DBS Bank (Hong Kong) Limited
Shenzhen Commercial Bank
Shenzhen Development Bank Co. Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai Hong Kong

REGISTERED OFFICE

Century Yard
Cricket Square
Hutchins Drive
P. O. Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1803-1804, 18/F, Li Po Chun Chambers,
No.189 Des Voeux Road Central, Hong Kong

STOCK CODE

2300

Mission

Strong emphasis on
Corporate Governance

Primary focus is shareholder's
Value Creation

Geared Up with strong momentum to enhance shareholders' value

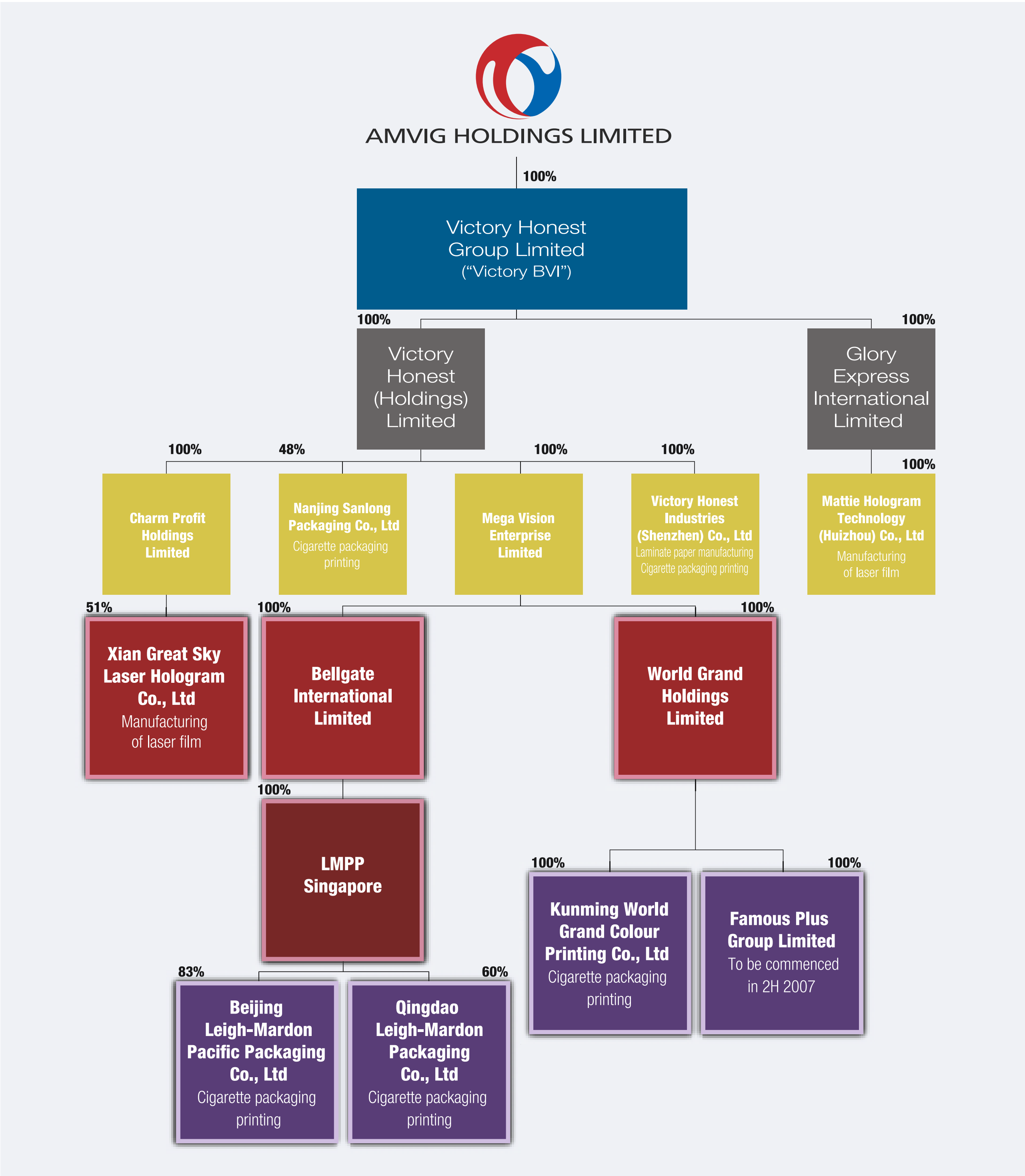
Vision

To become **the most Profitable & Largest** cigarette packaging printing company in China

To become **The Best** packaging partner for tobacco manufacturers

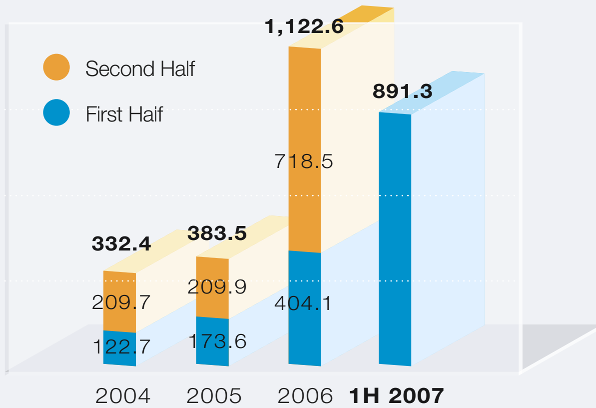
To achieve **World Class** standard

Corporate Structure

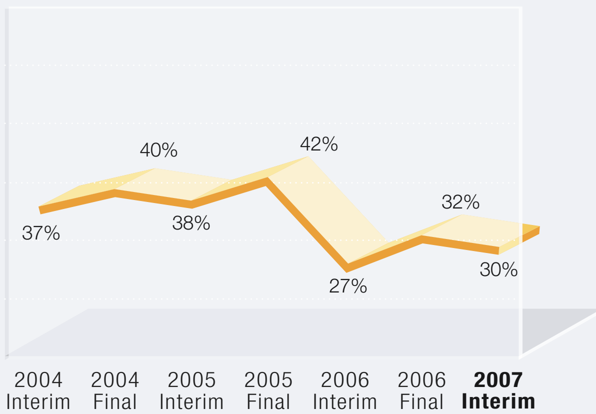


Financial Highlights

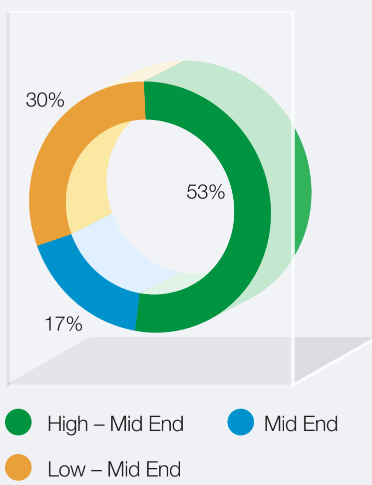
Turnover
HK$ million



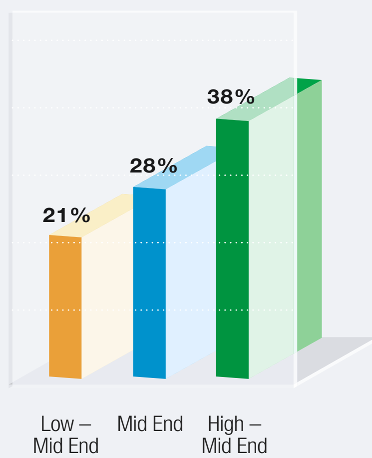
Gross margin
%



Product Mix – Turnover (Cigarette Packages) 1H 2007



Product Mix – Gross margins (Cigarette Packages) 1H 2007



Income Statement

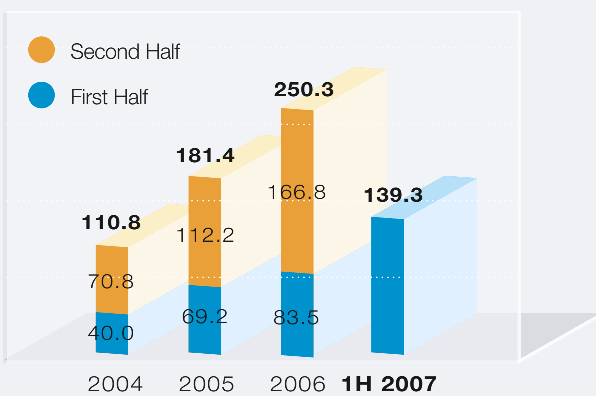
	For the six months end 2007 HK$ million	2006 HK$ million	Change %
Turnover	**891.3**	404.1	120.6
Gross profit	**266.9**	110.5	141.5
Profit attributable to equity holders	**139.3**	83.5	66.8
Earnings per share (HK cents)	**17.8**	12.8	39.1
Interim dividend per share (HK cents)	**7.0**	—	100%

Balance Sheet

	As at 30 June HK$ million	As at 31 December HK$ million	Change %
Consolidated net assets value attributable to equity holders	**2,230.5**	2,174.8	2.6
Total borrowings	**600.2**	103.2	481.6
Consolidated net assets value (attributable to equity holders) per share (HK Dollars)	**2.85**	2.78	2.6

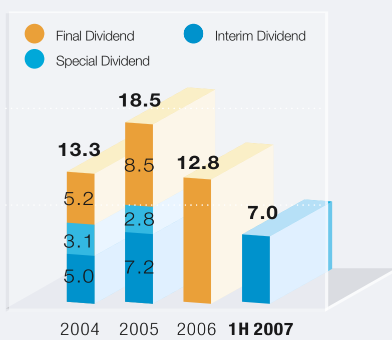
Profit attributable to equity holders

HK$ million



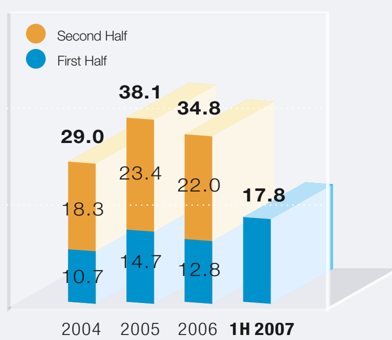
Dividend Paid

HK cents



Earnings per Share

HK cents



Management Discussion and Analysis

BUSINESS REVIEW

For the six months ended 30 June 2007 (the "Reporting Period"), AMVIG Holdings Limited (the "Company" or "AMVIG") and its subsidiaries (together the "Group") continued to build on the platform established last year to derive benefit from the continuing integration of existing operations and position itself for further expansion through acquisitions.

Continuing industry consolidation in the tobacco industry in the People's Republic of China ("PRC") resulted in the formation of fewer larger tobacco groups with a number of sizable merger and acquisitions amongst cigarette factories. The changing landscape of the tobacco industry in the PRC has presented new opportunities for AMVIG to secure future growth. Existing tobacco groups are focusing on brand consolidation with an emphasis on high value and high volume brands as well as cross provincial expansion. Increasing demands are being placed on cigarette packaging printers in terms of product quality, product design, production capacity, customer services, and research and development capabilities. In addition, tobacco groups are becoming more environmentally conscious and driving initiatives like the replacement of laminated papers by transfer papers and requiring the cigarette packaging printers to introduce more stringent environment protection measures not just in material usage but throughout their business.

As the tobacco groups continue to consolidate their brands and operations, cigarette packaging printers will inevitably have to follow such trend. The major tobacco groups have already implemented an "approved printing suppliers" system whereby only qualified printing suppliers can service those tobacco groups. This has driven further integration and consolidation amongst cigarette printing suppliers allowing them to enhance their operating efficiency and cost structure. AMVIG remains well positioned to continue to provide value added services to our customers and to expand our market share. The Group will continue to focus on both organic growth and targeted expansion through acquisition to strengthen its position as a leading specialist in the tobacco packaging and printing industry in China.

This dual growth strategy through integration and targeted acquisition will create and enhance value through economies of scale and generates synergies across the Group's operations. This includes centralizing the procurement function to lower our material costs; sharing of resources to maximize capacity utilization; and benchmarking all plants to establish the most cost-effective operation and drive continuous improvement. In addition, integration also allows the Group to improve product mix, strengthen design and research and development capabilities, and continue to foster close relationships with our customers.

A critical element of AMVIG's targeted acquisition strategy is to identify and partner with the right targets who have strong relationships with quality tobacco groups and service leading brands. Furthermore, these targets must have the right culture and a strong alignment with AMVIG's core values to ensure a successful partnership allowing smooth integration and maximizing synergy capture.

FINANCIAL REVIEW

Against a background of continuing industry consolidation, AMVIG recorded a strong result for the first half of 2007.

Turnover

For the Reporting Period, the Group achieved a turnover of HK$891.3 million, representing an increase of HK$487.2 million or 120.6% as compared to the corresponding period of last year. The Group benefited from a full six months contribution from Kunming World Grand Colour Printing Co., Ltd. ("Kunming Plant"), Beijing Leigh-Mardon Pacific Packaging Co., Ltd. ("Beijing Plant") and Qingdao Leigh-Mardon Packaging Co., Ltd. ("Qingdao Plant") during the Reporting

Period, whereas the previous corresponding period included only one month's sales from the Kunming Plant, and four months' sales from the Qingdao Plant and Beijing Plant. Management's dual growth strategy with an emphasis on organic growth as well as growth by acquisition also underpinned the strong sales growth performance.

Turnover of cigarette packaging printing was HK$761.9 million, representing a 187.6% growth during the Reporting Period. The contribution to the Group's turnover increased from 65.5% last period to 85.5% for the Reporting Period. As a dominant growth driver of the Group, the growth recorded in the cigarette packaging printing segment was principally due to the substantial contributions from the Kunming Plant, Beijing Plant and Qingdao Plant.

Turnover of laminated paper (after eliminating intercompany sales) decreased slightly from HK$139.2 million last period to HK$129.4 million for the Reporting Period, and accounting for 14.5% of the Group's total turnover. However, the laminated paper turnover, inclusive of all internal sales increased slightly from HK$174.6 million in first half of 2006 to HK$185.8 million during the Reporting Period. In the first half of 2007, nearly 77.4% of the laminated paper sold was for internal use, especially to support Kunming Plant and Nanjing Sanlong Packaging Co., Ltd. ("Nanjing Plant"), and 22.6% was for external sales. Since laminated paper is a key raw material input, AMVIG's internal production capability provides greater flexibility and efficiency and helps ensure stable supply to our customers. AMVIG continues to work with its customers to produce environmentally friendly materials and expects this trend to continue in future.

During the Reporting Period, the Kunming Plant recorded the strongest growth and profit contribution to the Group's result as it continued to benefit from its strong relationships with its customers including its largest customer, Hongyun Group. The Yunyan brand which is the top brand of Hongyun Group continues to contribute significant growth to the Group. The construction of the new Dongguan plant is a major expansion initiative to support another key customer, Guangdong Tobacco Group, and is expected to be completed in time to commence production in late second half of 2007. The new plant in Dongguan will not only enlarge the production capacity of the Group, allowing it to focus on developing the market in the southern part of the PRC, but also free up the production capacity of Kunming Plant to focus on Hongyun Group's orders.

During the Reporting Period, the Qingdao Plant and Beijing Plant both attained a satisfactory growth in terms of both turnover and net profit. On a comparable basis, Beijing Plant achieved approximately 41.5% growth in turnover in the Reporting Period, reflecting the management's concerted efforts in sales and marketing. Qingdao Plant also achieved steady growth in the Reporting Period. The Group is confident that the turnover and profit will continue to increase for the full year.

During the Reporting Period, turnover from the Victory Honest Industries (Shenzhen) Co., Ltd. ("Shenzhen Plant") was again below expectation. The Group will continue to focus on improving the operation and profitability of the Shenzhen Plant, and is confident to stabilise quality and increase output so as to achieve the required sales and profitability of the plant in the second half of 2007.

Cost of goods sold and gross profit

Cost of goods sold increased 112.7% from HK$293.6 million last period to HK$624.4 million for the Reporting Period. Gross profit ratio improved from 27% to 30%. Such improvement was primarily a result of the increased sales and profit contribution from the Kunming Plant and the growth achieved by the Beijing Plant, and an improving product mix.

Operating costs

Operating costs comprising administrative expenses, selling and distribution costs and other operating expenses, increased from HK$60.4 million last period to HK$115.3 million for the Reporting Period. This was primarily attributable to the inclusion of a full six months' expenses for the Kunming Plant, Beijing Plant and Qingdao Plant in the Reporting Period. The Group also incurred additional expenses in developing, maintaining, and growing its sales. General administrative expenses increased in line with the Group's commitment to proper corporate governance practices and to strengthen the internal management and control function.

Finance costs

Finance costs decreased slightly from HK$7.0 million to HK$4.2 million as all of the Group's interest-bearing borrowings outstanding as of end of 2006 were repaid during the Reporting Period.

Share of profit of associates

Share of profit of associates decreased significantly as the Kunming Plant, previously an associated company, became a subsidiary with effect from May 2006. As such, for the Reporting Period, share of profit of associates only comprised the sharing of results of the Nanjing Plant.

The Nanjing Plant achieved significant sales and profit growth for the Reporting Period and the Group's share of its profit increased by 14.7% from HK$19.1 million last period to HK$21.9 million during the first half of 2007 as the Group benefited from the strong performance of its two major customers, Nanjing Cigarette Factory and Huaiyin Cigarette Factory. The consolidation in the Jiangsu Tobacco Group has been beneficial to the Nanjing Plant and it still maintains the leading position in this province.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased 66.8% from HK$83.5 million last period to HK$139.3 million for the Reporting Period. The increase was primarily due to the growth in sales resulting from the increased contribution from the Kunming Plant, Beijing Plant and Qingdao Plant and the increase in gross profit margin resulting from an improved product mix.

Segmental information

The Group's product mix altered during the Reporting Period. Sales from cigarette package printing increased from 65.5% last period to 85.5% for the Reporting Period, while sales from laminated papers dropped accordingly. The Group expects this trend to continue in the near future.

MAJOR DEVELOPMENTS

The significant growth of the Group reflected the success of the Company's development strategy, in particular focusing on strategic co-operation with its major partners during the Reporting Period, allowing the Group to strengthen its platform for future continued profitable growth. Highlights of the Reporting Period included:

1. The Group entered into a conditional sale and purchase agreement in June 2007 to acquire the entire issued share capital of Brilliant Circle Holdings International Limited (together with its subsidiaries, the "Brilliant Group"). The Brilliant Group is also a major player in the cigarette packaging market. Following the completion of the acquisition of the Brilliant Group, the Group will become the largest cigarette packaging printing group in the PRC.

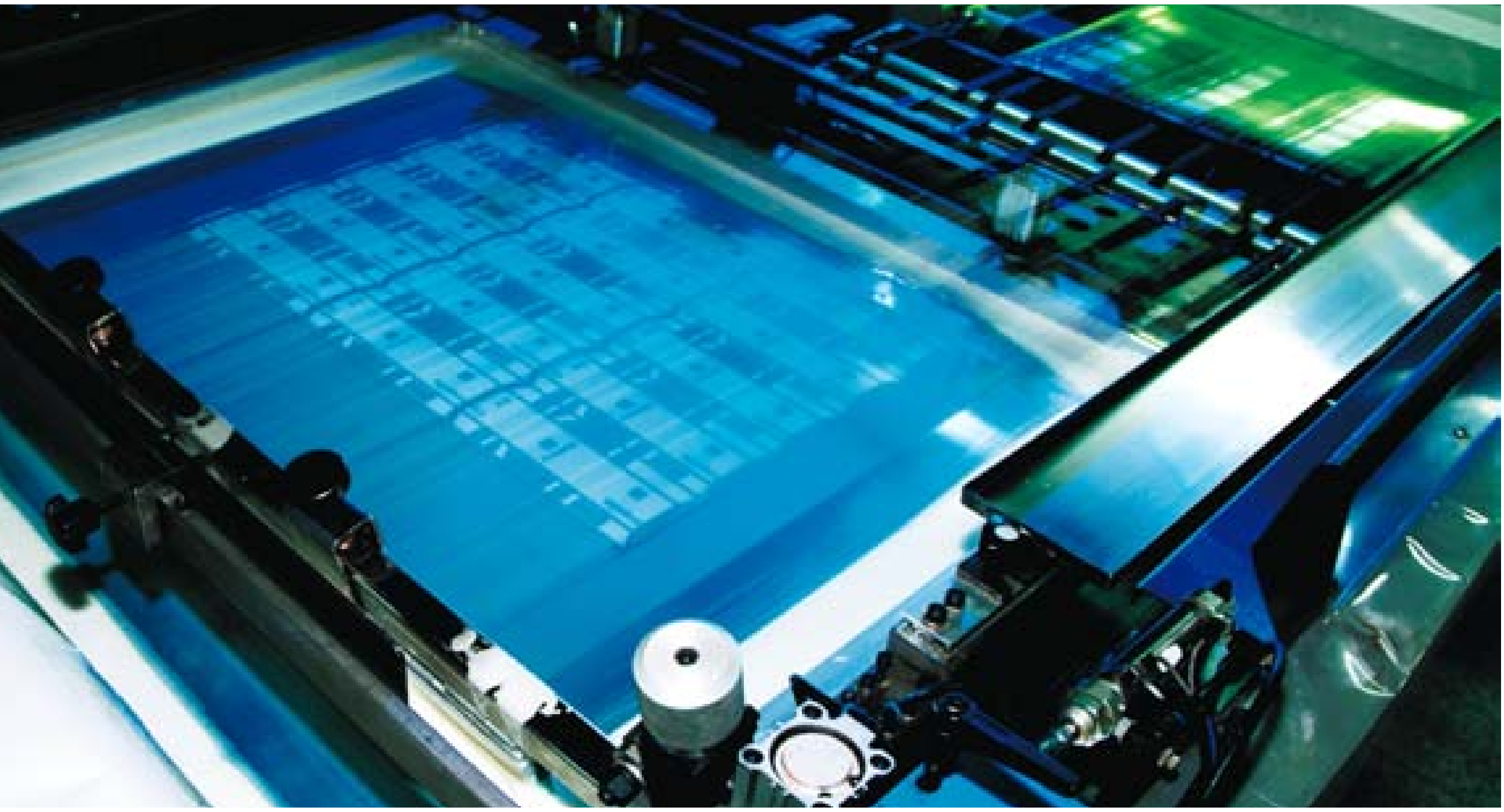
2. The Group adopted the Employees' Share Award Scheme, in addition to its Share Option Scheme, as a means to motivate and reward key employees in line with the growth of the Group.

Acquisition

On 13 June 2007, the Group entered into a conditional sale and purchase agreement to acquire the entire issue share capital of the Brilliant Circle Holdings International Limited for a total consideration of HK$1,555.5 million, which will be satisfied by the issue of 200.0 million new shares at an issue price of HK$7.0 each plus HK$155.5 million in cash. The Brilliant Group is one of the top three cigarettes packaging printers in the PRC and principally engaged in the manufacture of high quality cigarette packages with manufacturing based in Hunan, Hubei, Anhui, Guizhou and Shenzhen. The terms of acquisition include three years of profit guarantee in respect of the Brilliant Group at total of HK$630.0 million with first year not less than HK$200.0 million.

The Brilliant Group has a very strong customer base which includes 湖南中煙工業公司 (China Tobacco Hunan Industrial Corporation), 安徽中煙工業公司 (China Tobacco Anhui Industrial Corporation), 湖北中煙工業公司 (China Tobacco Hubei Industrial Corporation), 貴州中煙工業公司 (China Tobacco Guizhou Industrial Corporation) and 江蘇中煙工業公司 (China Tobacco Jiangsu Industrial Corporation), and covers more than 25 major brands of cigarettes in the PRC including 白沙 (Baisha), 芙蓉王 (Fu Rong Wang), 紅金龍 (Hong Jin Long), 黃果樹 (Huang Guo Shu) and 一品黃山 (Yi Ping Huang Shan).

After the completion of the acquisition of the Brilliant Group, the Company will become the largest cigarette packaging printing group in the PRC, as a result of which the Group's market share will increase from approximately 9.0% to 17.0%. The acquisition is complementary to the Group's existing business and will also allow the Group to extend its cigarette packaging business into other major provinces of the PRC in Hunan province, Hubei province, Anhui



province, and Guizhou province where the Group currently has no manufacturing capability. The Group will be well positioned as a major supplier to seven out of the top ten cigarette manufacturers and covering six out of the top ten cigarette brands. The acquisition will complement the Group's strengths and create a unique broad national footprint with the largest design and manufacturing capability, servicing most of the top brands in the PRC. The acquisition will also enhance the Group's existing product mix and should allow the Group to further extend its market reach, improve its manufacturing efficiency, leverage its purchasing requirements, and realize significant cost savings with the scale it has created.

Management Change

During the Reporting Period, there were a number of changes to the composition of the board of directors (the "Board") and senior management including:

— On 13 June 2007, Mr. Chan Sai Wai has been re-designated as the Vice-Chairman of the Board after the departure of Mr. Li Wei Bo.

— Mr. Peter Roderick Downing ("Mr. Downing") resigned as a non-executive Director with effect from 13 June 2007.

— Mr. Saw Kee Team, Alan has been appointed as a non-executive Director on 13 June 2007 to fill the vacancy of Mr. Downing.

— On 30 April 2007, Mr. Li Wei Bo was not re-elected by the majority shareholder by way of a poll as director at the Annual General Meeting.

— With effect from 16 August 2007, Mr. Liu Shun Fai will assume the role of chief financial officer of the Company.

Employees' Share Award Scheme

On 13 June 2007, the Board adopted the Employees' Share Award Scheme to recognize the contribution by key employees in order to retain them and motivate them for the continued successful operation and development of the Group, and to attract suitable talented personnel to join and grow with the Company. The Group strongly believes that human talent is an invaluable asset to the success of the Company and it will strive to attract and retain the best talent to achieve the Groups' objectives.

PROSPECTS

Going forward, the Group will continue to focus on organic growth and targeted expansion through acquisition to maximize shareholders' value. The Group is committed to this dual growth strategy to secure its position as the leading specialist in the tobacco packaging and printing industry in the PRC.

In 2007 and beyond, we will drive organic growth by enhancing our business structure. The new Dongguan plant will commence production in the late second half of 2007; but full contribution will be reflected in 2008. The new plant will further reduce the logistic cost of the Group.

Furthermore, the opportunities to further reduce costs will encompass cross-divisional co-operation with the central procurement of raw material, energy and other consumables being the initial focus.

The Group will continue to seek suitable expansion opportunities to further diversify its manufacturing footprint and effectively address potential divergent demands among various domestic regions while providing a further barrier for the impact of potential future market competition. A syndication loan of US$80.0 million has been arranged for the Group to assist in financing its dual growth strategy.

Subject to the fulfillment of all conditions precedent including the Group's due diligence and the shareholders' approval having been obtained, the acquisition of the Brilliant Group is expected to complete in the second half of 2007. The Group expects the investment would bring a network of synergies for its manufacturing operation, which will translate into long term benefits for the Group. After completion of the acquisition, the Group will become the largest tobacco packaging printing company in the PRC with a strengthened, diversified portfolio to ensure sustainable growth.

In the second half of the year, we will strive to increase the value of the Company as our main focus by capitalizing on new tasks of integration ahead. The Group will also continue to promote good corporate governance practices and strive to achieve the highest standards and transparency. Under the leadership of the Board, we will reinforce our development strategies, further optimize our capital structure, strengthen and refine management to enhance efficiency, thus continuing the Company's rapid and healthy development.

Our strong performance during the Reporting Period is the result of the dedication, commitment and forward looking vision of the management and staff who contributed tremendous effort in our continued growth. The ultimate goal is to turn the Group into the largest and most efficient packaging printing company and to become the market leader in the industry.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

Borrowings and banking facilities

As at 30 June 2007, the Group has long-term interest-bearing borrowings of approximately HK$600.2 million, which will be repayable in 2010. All of the borrowings were denominated in United States Dollars which bore interest at floating rate. At the same time, the Group entered into cross currency swap contracts which hedge the Group's interest rate and foreign currency exposures on the entire borrowings. Taken as a whole, all of the Group's borrowings were in substance fixed in interest rate and denominated in Renminbi.

Net current assets

As at 30 June 2007, the Group had net current assets of approximately HK$852.8 million. Current assets comprised inventories of approximately HK$223.9 million, trade and other receivables of approximately HK$454.8 million, current portion of leasehold land payments of approximately HK$0.4 million, prepayments and deposits of approximately HK$77.3 million, pledged bank deposits of approximately HK$11.0 million, bank and cash balances of HK$501.1 million. The current liabilities comprised trade and other payables of approximately HK$314.1 million, bills payables of approximately HK$85.5 million and provision for taxation of approximately HK$16.1 million.

Capital structure

As at 30 June 2007, the Group had net tangible assets of approximately HK$1,091.4 million comprising non-current assets of approximately HK$863.7 million (comprising property, plant and equipment of approximately HK$486.6 million, non-current portion of leasehold land payments of approximately HK$12.9 million, interest in an associate of approximately HK$77.4 million, financial assets at fair value through profit and loss of approximately HK$100.7 million, deposit for the acquisition of a subsidiary of approximately HK$155.5 million and deposits for the purchase of plant and equipment of approximately HK$30.6 million), net current assets of approximately HK$852.8 million and non-current liabilities of approximately HK$625.1 million (comprising long term interest-bearing borrowings of approximately HK$600.2 million, deferred tax liabilities of approximately HK$17.7 million and derivative financial instruments of approximately HK$7.2 million).

Gearing ratio

As at 30 June 2007, the Group's gearing ratio as a percentage of total borrowings over total tangible assets was 28.2% (31 December 2006: 6.7%). The management believes that the gearing ratio is at acceptable level for the Group and the Group would be able to create sufficient financial resource to discharge its debts.

Charges on the Group's assets

As at 30 June 2007, the Group's bank deposits of approximately HK$11.0 million (31 December 2006: HK$12.8 million) were pledged to banks in respect of banking facilities granted to the Group.

Contingent liabilities

As at 30 June 2007, the Group did not have any significant contingent liabilities (31 December 2006: Nil)

Capital commitments

As at 30 June 2007, the Group had capital commitments contracted but not provided for in respect of acquisition of plant and machinery of approximately HK$ 94.4 million (31 December 2006: HK$55.6 million).

Working capital

The Directors are of the opinion that the Group is in a strong financial position to support its working capital requirements.

REMUNERATION POLICIES AND EMPLOYEE INFORMATION

As at 30 June 2007, the Group had over 2,034 full time employees in Hong Kong and the PRC. Total staff costs (including directors' emoluments) amounted to approximately HK$48.9 million (six months ended 30 June 2006: HK$38.3 million) for the Reporting Period. The Group's remuneration policies are consistent with the one that was disclosed in the 2006 Annual Report.

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITIONS

On 13 June 2007, the Group entered into a conditional sale and purchase agreement whereby it has conditionally agreed to purchase 100% equity interest in Brilliant Circle Holdings International Limited, which is the beneficial owner of various subsidiaries incorporated or established in Hong Kong, British Virgin Islands and PRC principally engaged in the printing of high quality cigarette packages in Hunan, Hubei, Anhui, Shenzhen and Guizhou, the PRC, at a total consideration of HK$1,555.5 million. The acquisition is expected to complete in the second half of 2007.

FOREIGN CURRENCY EXPOSURE

The Group entered into cross currency swap contracts with a view to hedge both the interest rate and currency risks of the long-term interest-bearing borrowings drawn as discussed under the section "Borrowings and banking facilities" above. Save as the aforementioned, the Group does not currently have any other hedging activities against its foreign exchange exposure.

During the Reporting Period, all the Group's sales and purchases were settled in United States Dollars, Hong Kong Dollars and Renminbi. The Directors consider the Group's risk exposure on foreign exchange as minimal.

Other Information

INTERIM DIVIDEND

The Board has declared an interim dividend of HK7 cents per share for the six months ended 30 June 2007 (2006: Nil) to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 31 August 2007. The interim dividend will be paid on or about Friday, 28 September 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 30 August 2007 to Friday, 31 August 2007 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 June 2007, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 29 August 2007.

DISCLOSURE OF INTERESTS

a) Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations

As at 30 June 2007, the following Directors and chief executives had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong (the "SFO")) (i) which were required to be 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 (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Name of Director	Note	Capacity and nature of interest	Number of Shares held	Position	Approximate percentage of issued share capital
Mr. Chan Sai Wai	1	Interest of controlled corporation	47,040,000	Long	6.0%
Mr. Ng Sai Kit	2	Interest of controlled corporation	35,280,000	Long	4.5%
		Beneficial owner	5,100,000	Long	0.7%
Mr. Lee Cheuk Yin, Dannis		Beneficial owner	3,272,000	Long	0.4%

DISCLOSURE OF INTERESTS *(continued)*

a) Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations *(continued)*

Note 1: These Shares are held by Oriental Honour Limited, the entire issued share capital of which is beneficially owned by Mr. Chan Sai Wai.

Note 2: These Shares are held by Joy Benefit Limited, the entire issued share capital of which is beneficially owned by Mr. Ng Sai Kit.

Save as disclosed above, none of the Directors or the chief executives of the Company had or was deemed to have any personal, family, corporate and other interests or short positions in the shares, underlying shares and their associates or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2007 (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code by Directors of Listing Companies contained in the Listing Rules.

b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors, as at 30 June 2007, according to the register of interests report by the Company under section 336 of the SFO, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Note	**Capacity and nature of interest**	**Number of Shares held**	**Position**	**Approximate percentage of issued share capital**
Amcor Limited	1	Interest of controlled corporation	321,700,000	Long	41.1%
Amcor Packaging (Asia) Pty Limited	1	Interest of controlled corporation	321,700,000	Long	41.1%
Amcor Fibre Packaging-Asia Pte Limited	1	Beneficial owner	321,700,000	Long	41.1%
Credit Suisse Group		Beneficial owner	46,627,000	Long	6.0%
Ms. Chan Selina Siu Ping	2	Interest of spouse	47,040,000	Long	6.0%

Note 1: The shares of Amcor Limited are listed on the Australian Stock Exchange Limited. Amcor Packaging (Asia) Pty Limited and Amcor Fibre Packaging-Asia Pte Limited are wholly owned subsidiaries of Amcor Limited.

Note 2: Ms. Chan Selina Siu Ping is the spouse of Mr. Chan Sai Wai, an executive Director.

DISCLOSURE OF INTERESTS *(continued)*

b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO *(continued)*

Save as disclosed above, as at 30 June 2007, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include any employees, directors, substantial shareholders or any of their respective associates of the Company and/or any of its subsidiaries or associated companies. The Share Option Scheme became effective for a period of 10 years commencing on 10 March 2004.

During the period under review, no share option has been granted or agreed to be granted to any person under the Share Option Scheme. As at 30 June 2007, there was no outstanding share option granted under the Share Option Scheme.

On 13 June 2007, the Board of Directors adopted the Employees' Share Award Scheme which has taken effect on the same date pursuant to which shares of the Company would be acquired by the Company for the benefit of the employees of the Group. As of 30 June 2007, 9,500,000 shares were acquired by the Company for the benefits of the employees under the scheme. The principal terms of the scheme are set out in the announcement made by the Company dated 20 June 2007.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

The Company repurchased its 394,000 shares on the Stock Exchange during the six months ended 30 June 2007. Such shares were cancelled after the repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares.

Details of the repurchases are summarised as follows:

Date of repurchase	Number of shares repurchased	Repurchase price per share		Total consideration
		Highest (HK$)	Lowest (HK$)	(HK$'000)
27 June 2007	6,000	9.94	—	60
28 June 2007	30,000	10.20	—	306
29 June 2007	358,000	10.40	10.28	3,693
	394,000			4,059

Save and except for the above and another 9,500,000 shares acquired by the Company for the benefits of the employees under the Employees' Share Award Scheme as adopted by the Company on 13 June 2007, neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 18 May 2007, a term loan facility agreement (the "Loan Facility Agreement") was entered into by the Company as borrower pursuant to which a term loan facility (the "Loan Facility") in the sum of US$80,000,000 is made available to the Company repayable as to 20%, 40% and 40% on the days which are 24 months, 30 months and 36 months respectively from the date of the Loan Facility Agreement. It is one of the conditions of the Loan Facility that Amcor Limited, the single largest shareholder of the Company, must maintain its legal and beneficial ownership of at least 30 percent of the issued share capital of the Company throughout the life of the Loan Facility. A breach of the aforesaid condition will constitute an event of default under the Loan Facility and cancel all or any part of the commitments under the Loan Facility and all amounts outstanding under the Loan Facility will immediately become due and payable.

COMPLIANCE WITH APPENDIX 10 OF THE LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules throughout the Reporting Period. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with such code of conduct and required standard of dealings throughout the Reporting Period.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE PRACTICES

The Company continues to be committed to achieving high standards of corporate conduct and to place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and protection of shareholders' interests.

The Board is of the view that the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules, except that there is no separation of the role of Chairman and Chief Executive Officer, Mr. Chan Chew Keak, Billy currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies. As such, it is beneficial to the business prospects of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the three independent non-executive directors of the Company, namely, Mr. Tay Ah Kee, Keith (Chairman of the Audit Committee), Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with senior management relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2007. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company.

By order of the Board
AMVIG Holdings Limited
Chan Chew Keak, Billy
Chairman

Hong Kong, 15 August 2007

Condensed Interim Consolidated Financial Statements

RESULTS

The Board of the Company is pleased to announce the unaudited condensed financial results of the Group for the six months ended 30 June 2007 together with the unaudited comparative figures for the corresponding period in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**For the six months ended 30 June**	
		2007 (unaudited) HK$'000	2006 (unaudited) HK$'000 (Note 18)
Turnover	4	**891,336**	404,117
Cost of goods sold		**(624,400)**	(293,625)
Gross profit		**266,936**	110,492
Other income		**10,814**	16,601
Selling and distribution costs		**(46,294)**	(11,191)
Administrative expenses		**(68,055)**	(42,431)
Other operating expenses		**(908)**	(6,758)
Profit from operations	5	**162,493**	66,713
Finance costs	6	**(4,161)**	(6,970)
Share of profit of associates		**21,883**	42,959
Profit before tax		**180,215**	102,702
Income tax expenses	7	**(28,556)**	(12,600)
Profit for the period		**151,659**	90,102
Attributable to:			
– Equity holders of the Company		**139,295**	83,512
– Minority interests		**12,364**	6,590
		151,659	90,102
Earnings per share	8		
– basic (HK cents)		**17.8**	12.8
– diluted (HK cents)		**N/A**	N/A
Dividends	9	**54,829**	–

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**As at 30 June 2007 (unaudited) HK$'000**	As at 31 December 2006 (audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	**486,600**	475,731
Leasehold land payments		**12,882**	12,713
Goodwill		**1,276,615**	1,224,675
Deposit for the acquisition of a subsidiary		**155,500**	–
Deposits for the purchase of plant and equipment		**30,589**	–
Financial assets at fair value through profit and loss		**100,700**	–
Interest in an associate		**77,421**	60,381
		2,140,307	1,773,500
Current assets			
Inventories		**223,850**	211,381
Trade and other receivables	11	**454,823**	402,089
Leasehold land payments		**416**	404
Prepayments and deposits		**77,279**	34,789
Pledged bank deposits		**10,967**	12,771
Bank and cash balances		**501,109**	336,963
		1,268,444	998,397
Total assets		**3,408,751**	2,771,897
EQUITY			
Capital and reserves			
Share capital	12	**7,833**	7,837
Reserves		**2,222,653**	2,166,919
Equity attributable to equity holders of the Company		**2,230,486**	2,174,756
Minority interest		**137,435**	122,491
Total equity		**2,367,921**	2,297,247

CONDENSED CONSOLIDATED BALANCE SHEET *(continued)*

	Note	**As at 30 June 2007 (unaudited) HK$'000**	As at 31 December 2006 (audited) HK$'000
LIABILITIES			
Non current liabilities			
Obligations under finance leases		**–**	13,361
Interest-bearing borrowings		**600,229**	–
Derivative financial instruments		**7,200**	–
Deferred tax liabilities		**17,726**	17,726
		625,155	31,087
Current liabilities			
Trade and other payables	14	**314,138**	259,616
Bills payables		**85,458**	84,394
Provision for taxation		**16,079**	9,707
Short term interest-bearing borrowings		**–**	74,390
Current portion of obligations under finance leases		**–**	15,456
		415,675	443,563
Total liabilities		**1,040,830**	474,650
Total equity and liabilities		**3,408,751**	2,771,897
Net current assets		**852,769**	554,834
Total assets less current liabilities		**2,993,076**	2,328,334

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

	Unaudited Group Attributable to equity holders of the Company											
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Revaluation reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Capital reserve HK$'000	Statutory surplus reserve HK$'000	Enterprise expansion and general reserve funds HK$'000	Total HK$'000	Minority interest HK$'000	Total equity HK$'000
At 1 January 2007	7,837	1,661,610	33,027	8,010	-	429,178	-	31,083	4,011	2,174,756	122,491	2,297,247
Currency Translation	-	-	26,540	-	-	-	-	-	-	26,540	2,580	29,120
Loss on cash flow hedge	-	-	-	-	(7,200)	-	-	-	-	(7,200)	-	(7,200)
Profit for the period	-	-	-	-	-	139,295	-	-	-	139,295	12,364	151,659
Transfer to profit or loss on cash flow hedges	-	-	-	-	1,464	-	-	-	-	1,464	-	1,464
Dividend relating to 2006 (note 9)	-	-	-	-	-	(100,310)	-	-	-	(100,310)	-	(100,310)
Cancellation upon repurchase of own shares	(4)	(4,055)	-	-	-	-	-	-	-	(4,059)	-	(4,059)
Transfer from retained profits	-	-	-	-	-	(21,937)	-	21,937	-	-	-	-
At 30 June 2007	7,833	1,657,555	59,567	8,010	(5,736)	446,226	-	53,020	4,011	2,230,486	137,435	2,367,921

For the six months ended 30 June 2006

	Unaudited Group Attributable to equity holders of the Company											
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Revaluation reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Capital reserve HK$'000	Statutory surplus reserve HK$'000	Enterprise expansion and general reserve funds HK$'000	Total HK$'000	Minority interest HK$'000	Total equity HK$'000
At 1 January 2006	4,800	362,637	5,865	–	–	253,155	–	17,473	3,976	647,906	6,660	654,566
Currency translation	–	–	5,441	–	–	–	–	–	–	5,441	826	6,267
Profit for the period	–	–	–	–	–	83,512	–	–	–	83,512	6,590	90,102
Dividend relating to 2005 (note 9)	–	–	–	–	–	(60,679)	–	–	–	(60,679)	–	(60,679)
Issue of new shares (note 12)	3,037	1,698,167	–	–	–	–	–	–	–	1,701,204	–	1,701,204
Share issue expenses	–	(5,645)	–	–	–	–	–	–	–	(5,645)	–	(5,645)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	99,374	99,374
Current period additions	–	–	–	–	–	–	1,411	–	–	1,411	–	1,411
Transfer from an associated company	–	–	–	9,334	–	–	–	(275)	–	9,059	–	9,059
At 30 June 2006	7,837	2,055,159	11,306	9,334	–	275,988	1,411	17,198	3,976	2,382,209	113,450	2,495,659

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	For the six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK$'000	HK$'000
NET CASH FROM OPERATING ACTIVITIES	**111,162**	290,786
NET CASH USED IN INVESTING ACTIVITIES	**(355,123)**	(103,744)
NET CASH FROM FINANCING ACTIVITIES	**392,656**	10,342
NET INCREASE IN CASH AND CASH EQUIVALENTS	**148,695**	197,384
Exchange differences arising on consolidation	**15,451**	5,441
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**336,963**	93,654
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**501,109**	296,479
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
BANK AND CASH BALANCES	**501,109**	296,479

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2006.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2006. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

The interim financial report is unaudited and has been reviewed by the audit committee of the Company.

2. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign exchange risk

The Group carries out its business in the People's Republic of China (the "PRC") and most of the transactions are denominated in Renminbi ("RMB"). The Group is exposed to foreign exchange risk arising from RMB and United States Dollars ("USD"), with respect to Hong Kong Dollars. The Group has also entered into a cross currency swap in order to hedge its foreign exchange rate risk against the USD borrowings. The Directors consider the Group's foreign exchange risk to be minimal.

2. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Financial risk factors *(continued)*

Credit risk

As at 30 June 2007, the three largest trade receivables represent approximately 70% (31 December 2006: 61%) of the total trade receivables. The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers. The allowance for doubtful debts is based upon a review of the expected collectibility of all trade and other receivables.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 30 June 2007 in relation to trade and other receivables, deposits paid and bank and cash balances is the carrying amount of those assets as stated in the consolidated balance sheet.

Liquidity risk

The Group manages its liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions.

Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term interest-bearing borrowings. At 30 June 2007, all of the Group's borrowings were issued at variable rates expose the Group to cash flow interest-rate risk. The Group has entered into a cross currency swap in order to minimize the Group's exposure to such cash flow interest rate risk. However, the Group is still exposed to fair value interest rate risk. The Directors are of the opinion that the aforesaid risks are not material to the Group.

(b) Fair value estimation

The Group's financial assets mainly include trade and other receivables, deposits paid and bank and cash balances. The Group's financial liabilities mainly include trade and other payables, bills payables, and long term interest-bearing borrowings. The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated balance sheet approximate their respective fair values.

3. CRITICAL JUDGMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

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 within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was HK$1,276,615,000.

4. TURNOVER AND SEGMENTAL INFORMATION

Turnover represents revenue arising from printing of cigarette packages and manufacturing of laminated papers. The Group's primary format for reporting segment information is business segment.

	Printing of cigarette packages For the six months ended 30 June		Manufacturing of laminated papers For the six months ended 30 June		Eliminations For the six months ended 30 June		Consolidated For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000	**2007 (unaudited) HK$'000**	2006 (unaudited) HK$'000	**2007 (unaudited) HK$'000**	2006 (unaudited) HK$'000	**2007 (unaudited) HK$'000**	2006 (unaudited) HK$'000
REVENUE								
External revenue	**761,940**	264,891	**129,396**	139,226	**–**	–	**891,336**	404,117
Inter-segment revenue*	**6,108**	190	**56,435**	35,377	**(62,543)**	(35,567)	**–**	–
Total revenue	**768,048**	265,081	**185,831**	174,603	**(62,543)**	(35,567)	**891,336**	404,117
RESULTS								
Segment results	**231,233**	61,602	**35,703**	37,431	**–**	–	**266,936**	99,033
Unallocated corporate expenses							**(115,257)**	(48,921)
Other revenue							**7,249**	13,104
Operating profit excluding interest income							**158,928**	63,216
Finance costs							**(4,161)**	(6,970)
Interest income							**3,565**	3,497
Share of profit of associates							**21,883**	42,959
Taxation							**(28,556)**	(12,600)
Profit for the period							**151,659**	90,102

* Inter-segment revenue is charged at costs

5. PROFIT FROM OPERATIONS

The Group's profit from operations is stated after charging the following:

	For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000
Cost of inventories sold	**624,400**	293,625
Depreciation	**28,533**	15,756
Impairment loss of property, plant and equipment	**–**	3,431
Provision for inventories	**17,970**	6,717
Allowance for trade and other receivables	**4,975**	11,099

6. FINANCE COSTS

	For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000
Interest on bank loans and overdrafts	**3,073**	5,608
Finance lease charges	**1,088**	1,362
	4,161	6,970

7. INCOME TAX EXPENSES

Income tax expenses represent:

	For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000
PRC enterprise income tax	**28,556**	12,600

No provision for Hong Kong profits tax has been made as the Group has no assessable profit in Hong Kong.

7. INCOME TAX EXPENSES *(continued)*

Pursuant to relevant income tax laws of the PRC, the subsidiaries of the Company are subject to income tax rates of 15% to 30%, mainly depending on the places of incorporation/establishment.

According to relevant tax laws and regulations, the subsidiaries of the Company, Mattie Hologram Technology (Huizhou) Co., Ltd ("Mattie Hologram") and Xian Great Sky Laser Hologram Co. Ltd ("Xian Hologram") are entitled to a full exemption from the PRC enterprise income tax for the first two years and 50% reduction for the following three years commencing from this year. In addition, Xian Hologram was accredited as a Technologically Advanced Enterprise by Xian Bureau of Science and Technology (西安市科學技術局). The Huizhou State Tax Bureau and Xian State Tax Bureau also exempt Mattie Hologram and Xian Hologram from local enterprise income tax which is at a rate of 3% respectively (effective tax rate: Mattie Hologram: 12%, Xian Hologram: 7.5%).

Shenzhen Plant was accredited as a Technologically Advanced Enterprise by Shenzhen Bureau of Trade and Industry (深圳市貿易工業局). Pursuant to relevant tax laws and regulations in the PRC, Shenzhen Plant is entitled to prolonged 50% reduction of the enterprise income tax (effective income tax rate of 7.5%) for three years commenced from year 2005.

According to the certificate issued by the Yunnan Provincial Science and Technology Bureau (雲南省科技廳), Kunming Plant is accredited as a High-Tech Enterprise. Pursuant to Articles 7 and 8 of the "Enterprise Income Tax Law for Foreign Investment Enterprise and Foreign Enterprises", Kunming Plant, being a High-Tech Enterprise, is entitled to a reduced PRC enterprise income tax rate of 15%. In addition, the State Tax Bureau of Kunming High Technology Industrial Development Zone (昆明市高新技術產業開發區國家稅務局) has approved Kunming Plant for a full exemption of the PRC enterprise income tax for two years starting from the first year of profitable operation in 2003, followed by a 50% reduction for the next three years.

Since Beijing Plant is a manufacturing foreign investment enterprise located in a PRC coastal economic open zone, pursuant to Article 7 of the "Enterprise Income Tax Law for Foreign Investment Enterprise and Foreign Enterprise", it was approved by the Beijing State Tax Bureau on 17 June 1998 for a reduced PRC enterprise income tax rate of 24% commenced from year 1995.

Since Qingdao Plant is a manufacturing foreign investment enterprise located in a PRC coastal economic open zone, pursuant to Article 7 of the "Enterprise Income Tax Law for Foreign Investment Enterprise and Foreign Enterprise", it is entitled for a reduced PRC enterprise income tax rate of 24%. In addition, the Qingdao State Tax Bureau also exempts Qingdao Plant from local enterprise income tax, which is at a rate of 3%.

8. EARNINGS PER SHARE

(a) Basic earnings per share is calculated based on the Group's unaudited profit attributable to the equity holders of the Company for the six months ended 30 June 2007 of approximately HK$139,295,000 (30 June 2006: HK$83,512,000) and the weighted average number of shares of approximately 783,665,000 ordinary shares in issue during the period ended 30 June 2007 (30 June 2006: 650,903,000 shares).

(b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of potentially dilutive ordinary shares. There were no potentially dilutive ordinary shares as at 30 June 2007.

9. DIVIDENDS

(a) Dividends attributable to the interim period:

	For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000
Interim dividend declared and paid after the interim period of HK7.0 cents per share (2006: Nil)	**54,829**	–

The interim dividend has not been recognized as a liability at the balance sheet date.

(b) Dividends attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 30 June	
	2007 (unaudited) HK$'000	2006 (unaudited) HK$'000
Final dividend in respect of the financial year ended 31 December 2006, approved and paid during the following interim period, of HK12.8 cents per share (year ended 31 December 2005: HK8.5 per share)	**100,310**	60,679

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of property, plant and equipment with carrying amount of approximately HK$402,000.

In addition, the Group spent approximately HK$21,588,000 on the construction in progress, and HK$8,910,000 on additions to its existing manufacturing plant in order to upgrade its manufacturing facilities.

11. TRADE AND OTHER RECEIVABLES

The general credit terms of the Group to its trade customers range from one month to three months. The aging analysis of trade receivables is as follows:

	As at 30 June 2007 (unaudited) HK$'000	As at 31 December 2006 (audited) HK$'000
Current to 30 days	**109,714**	172,158
31 to 90 days	**172,939**	96,975
Over 90 days	**46,289**	15,615
	328,942	284,748
Other receivables	**125,881**	117,341
	454,823	402,089

12. SHARE CAPITAL

		Number of Shares '000	**Amount** HK$'000
Shares of HK$0.01 each			
Authorised:			
At 31 December 2006 and 30 June 2007		1,000,000	10,000
Issued and fully paid:			
At 1 January 2006		480,000	4,800
Issue of new shares		303,670	3,037
At 31 December 2006 and 1 January 2007		783,670	7,837
Cancellation upon repurchase of own shares	(a)	(394)	(4)
At 30 June 2007		783,276	7,833

12. SHARE CAPITAL *(continued)*

Note:

(a) During the period, the Company repurchased on The Stock Exchange of Hong Kong Limited a total of 394,000 ordinary shares of HK$0.01 each of the Company at an aggregate consideration of HK$4,059,000, all of these shares were subsequently cancelled. The premium payable on repurchase of the shares has been charged to the share premium account.

(b) All shares, both issued and unissued, rank pari passu in all respects at 30 June 2007.

13. SHARE OPTION SCHEME AND SHARE AWARD SCHEME

The Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include any employees, directors, substantial shareholders or any of their respective associates of the Company and/or any of its subsidiaries or associated companies. The Share Option Scheme became effective for a period of 10 years commencing on 10 March 2004.

During the period under review, no share option has been granted or agreed to be granted to any person under the Share Option Scheme. As at 30 June 2007, there was no outstanding share option granted under the Share Option Scheme.

On 13 June 2007, the Board of Directors adopted the Employees' Share Award Scheme which has taken effect on the same date pursuant to which shares of the Company would be acquired by the Company for the benefit of the employees of the Group. As of 30 June 2007, 9,500,000 shares were acquired by the Company for the benefits of the employees under the scheme. The principal terms of the scheme are set out in the announcement made by the Company dated 20 June 2007

14. TRADE AND OTHER PAYABLES

The aging analysis of trade payables is as follows:

	As at 30 June 2007 (unaudited) HK$'000	As at 31 December 2006 (audited) HK$'000
Current to 30 days	**71,011**	115,517
31 to 90 days	**93,245**	48,813
Over 90 days	**25,660**	13,614
	189,916	177,944
Other payables	**124,222**	81,672
	314,138	259,616

15. RELATED PARTY TRANSACTIONS

During the period, the Group had the following material related party transactions:

	For the six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Sales of laminated papers to associated companies		
Nanjing Plant	**91,105**	74,573
Kunming Plant	**–**	30,525

At balance sheet date, the following balances with related parties included in:

	As at 30 June 2007 (unaudited) HK$'000	As at 31 December 2006 (audited) HK$'000
Trade and other receivables:		
Nanjing Plant	**95,301**	56,569
Trade and other payables:		
Nanjing Plant	**198**	280

The above amounts are trade in nature, unsecured, interest free and repayable within 90 days.

16. CAPITAL COMMITMENTS

	As at 30 June 2007 (unaudited) HK$'000	As at 31 December 2006 (audited) HK$'000
Authorized and contracted but not provided for acquisition of plant and machinery	**94,365**	55,550

17. CONTINGENT LIABILITIES

At 30 June 2007, the Group did not have any significant contingent liabilities (31 December 2006: Nil).

18. PRIOR PERIOD COMPARATIVE FIGURES

Certain prior period comparative figures have been reclassified to conform to current period's presentation.

AMVIG HOLDINGS LIMITED

Room 1803, 18th Floor, Li Po Chun Chambers
189 Des Voeux Road Central, Hong Kong
Tel: +852 2970 7000 Fax: +852 2970 7070

www.amvig.com