CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

2012/13 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Cheong Ming Investments Limited (the "Company") is pleased to present the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2012

		For the six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**243,701**	312,540
Cost of sales		**(180,984)**	(244,537)
Gross profit		**62,717**	68,003
Other operating income	6	**8,177**	4,502
Selling and distribution costs		**(6,190)**	(7,955)
Administrative expenses		**(48,597)**	(43,392)
Other operating expenses		**(1,433)**	(14,962)
Profit from operations	5	**14,674**	6,196
Finance costs	7	**(335)**	(414)
Share of loss of an associate	11	**–**	(49)
Profit before income tax		**14,339**	5,733
Income tax expense	8	**(2,863)**	(1,430)
Profit for the period		**11,476**	4,303
Attributable to:			
Equity holders of the Company		**11,476**	4,303
Earnings per share for profit attributable to the equity holders of the Company during the period	10		
Basic		**HK1.80 cents**	HK0.70 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2012

		For the six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Profit for the period		**11,476**	4,303
Other comprehensive income			
Exchange gain on translation of financial statements of foreign operations		**46**	633
Share of other comprehensive income of an associate	11	**–**	93
Other comprehensive income for the period, net of tax		**46**	726
Total comprehensive income for the period		**11,522**	5,029
Total comprehensive income attributable to equity holders of the Company		**11,522**	5,029

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2012

	Notes	As at 30 September 2012 (Unaudited) HK$'000	As at 31 March 2012 (Restated) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**163,729**	169,826
Prepaid lease payments		**2,768**	2,810
Investment properties		**86,570**	86,570
Deposits paid for acquisition of investment properties		**2,696**	–
Interest in an associate	11	**–**	–
Deferred tax assets		**251**	233
		256,014	259,439
Current assets			
Inventories		**29,275**	30,458
Trade receivables	13	**123,186**	93,324
Amount due from an associate		**–**	933
Prepayments, deposits and other receivables	11(c)	**13,724**	12,957
Financial assets at fair value through profit or loss	14	**86,952**	74,491
Cash and cash equivalents		**92,909**	124,759
Tax receivable		**664**	791
		346,710	337,713
Non-current assets held for sale	12	**65,000**	65,000
		411,710	402,713
Current liabilities			
Trade payables	15	**63,618**	58,820
Accrued liabilities and other payables		**37,713**	32,467
Interest-bearing borrowings		**23,642**	29,117
Tax payable		**9,841**	7,548
		134,814	127,952
Net current assets		**276,896**	274,761
Total assets less current liabilities		**532,910**	534,200

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

as at 30 September 2012

	Notes	**As at 30 September 2012 (Unaudited)** ***HK$'000***	As at 31 March 2012 (Restated) *HK$'000*
Non-current liabilities			
Deferred tax liabilities		**33,692**	33,797
Net assets		**499,218**	500,403
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	16	**63,535**	63,535
Reserves		**435,683**	424,161
Proposed dividends	9	**–**	12,707
Total equity		**499,218**	500,403

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the six months ended 30 September 2012

1. BASIS OF PREPARATION

The interim financial information of the Group has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial information have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2012 which are in compliance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by HKICPA.

This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2012.

The unaudited condensed interim financial information for the six months period ended 30 September 2012 was approved by the board of directors on 22 November 2012.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 April 2012.

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

Other than as noted below, the adoption of the new or amended HKFRSs had no material impact on the Group's financial statements.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The amendment introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if an investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolio and concluded that the presumption in the amended HKAS 12 is not rebutted. As a result, the Group has re-measured the deferred tax of these investment properties located in the People's Republic of China (the "PRC") and in Hong Kong according to the tax consequence on the presumption that they are recovered entirely through sale. This amendment is applied retrospectively.

2. **IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (Continued)**

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets (Continued)

The effects of the adoption of the amended HKAS 12 are summarised below.

Effect on condensed consolidated income statement and condensed consolidated statement of comprehensive income:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Decrease in income tax expense	**(19)**	–
Increase in profit for the period	**19**	–

Effect on condensed consolidated statement of financial position:

	As at 30 September 2012	As at 31 March 2012	As at 1 April 2011
	(Unaudited)	(Restated)	(Restated)
	HK$'000	*HK$'000*	*HK$'000*
Decrease in retained profits	**(597)**	(616)	(26)
Decrease in asset revaluation reserve	**(7,805)**	(7,805)	–
Increase in deferred tax liabilities	**8,402**	8,421	26

3. **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 arising from the principal activities of the Group during the period after eliminations of all significant intra-group transactions.

4. **SEGMENT INFORMATION**

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major business lines. The Group has identified the following reportable segments:

(a) the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books for sale principally to manufacturers and publishers of consumer products;

4. SEGMENT INFORMATION (Continued)

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products; and

(c) the commercial printing segment provides financial printing, digital printing and other related services.

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRSs financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

Segment assets include all assets with the exception of corporate assets, including investment properties, deposits paid for acquisition of investment properties, interest in an associate, amount due from an associate, financial assets at fair value through profit or loss, bank balances and cash, tax receivable, deferred tax assets and non-current assets held for sale which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

4. SEGMENT INFORMATION (Continued)

Information regarding the Group's reportable operating segments as provided to the Group's executive directors is set out below:

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books For the six months ended 30 September		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags For the six months ended 30 September		Commercial printing For the six months ended 30 September		Eliminations For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue:										
Sales to external customers	**195,098**	260,614	**14,952**	15,606	**33,651**	36,320	**–**	–	**243,701**	312,540
Intersegment sales	**3,017**	4,670	**18**	15	**219**	225	**(3,254)**	(4,910)	**–**	–
Total	**198,115**	265,284	**14,970**	15,621	**33,870**	36,545	**(3,254)**	(4,910)	**243,701**	312,540
Reportable segment results	**6,783**	11,699	**1,457**	562	**2,171**	6,494	**–**	–	**10,411**	18,755
Unallocated income:										
Interest income									**1,753**	1,623
Dividend income from financial assets at fair value through profit or loss									**427**	411
Rental income									**1,784**	–
Fair value gain/(loss) on financial assets at fair value through profit or loss									**914**	(13,915)
Gain/(Loss) on disposal of financial assets at fair value through profit or loss									**1,190**	(374)
Unallocated expenses:										
Impairment loss on amount due from a former associate									**(474)**	–
Others									**(1,331)**	(304)
Profit from operations									**14,674**	6,196
Finance costs									**(335)**	(414)
Share of loss of an associate									**–**	(49)
Profit before income tax									**14,339**	5,733
Income tax expense									**(2,863)**	(1,430)
Profit for the period									**11,476**	4,303

4. SEGMENT INFORMATION (Continued)

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Consolidated	
	30 September 2012 (Unaudited)	31 March 2012 (Audited)	**30 September 2012 (Unaudited)**	31 March 2012 (Audited)	**30 September 2012 (Unaudited)**	31 March 2012 (Audited)	**30 September 2012 (Unaudited)**	31 March 2012 (Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**310,586**	282,933	**6,813**	3,969	**15,283**	20,554	**332,682**	307,456
Corporate assets:								
Investment properties							**86,570**	86,570
Deposits paid for acquisition of investment properties							**2,696**	–
Amount due from an associate							**–**	933
Financial assets at fair value through profit or loss							**86,952**	74,491
Non-current assets held for sale							**65,000**	65,000
Cash and cash equivalents							**92,909**	124,759
Others							**915**	2,943
Total assets							**667,724**	662,152

5. PROFIT FROM OPERATIONS

	For the six months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)
	HK$'000	*HK$'000*
Profit from operations is arrived at after charging/(crediting):		
Amortisation of prepaid lease payments	**42**	173
Depreciation of property, plant and equipment	**7,192**	6,855
Gain on disposal of property, plant and equipment	**(927)**	–
Staff costs (including directors' emoluments)	**55,051**	53,010
Provision for/(Reversal of provision for) slow moving inventories	**896**	(1,002)
Write off of property, plant and equipment	**–**	623
Reversal of allowance for impairment of trade receivables	**(56)**	(552)
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(914)**	13,915
(Gain)/Loss on disposal of financial assets at fair value through profit or loss	**(1,190)**	374
Impairment loss on amount due from a former associate *(note 11(c))*	**474**	–
Net exchange loss/(gain)	**167**	(538)

6. OTHER OPERATING INCOME

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**1,753**	1,623
Dividend income from financial assets at fair value through profit or loss	**427**	411
Fair value gain on financial assets at fair value through profit or loss	**914**	–
Gain on disposal of property, plant and equipment	**927**	–
Gain on disposal of financial assets at fair value through profit or loss	**1,190**	–
Net exchange gain	**–**	538
Rental income	**1,784**	–
Others	**1,182**	1,930
	8,177	4,502

7. FINANCE COSTS

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest charges on overdrafts, bank and other borrowings repayable within five years	**335**	414

8. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The tax charge comprises:		
Current tax – Hong Kong	**944**	2,354
Current tax – overseas	**2,042**	757
	2,986	3,111
Deferred tax credit	**(123)**	(1,681)
	2,863	1,430

Hong Kong Profits Tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the six months ended 30 September 2012. Taxes on overseas profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates.

9. DIVIDENDS

(a) Dividends attributable to the period

The directors do not recommend the payment of interim dividend for the period (2011: Nil).

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

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final dividend of HK2 cents (2011:HK2 cents) per ordinary share for financial year 2012 paid during the period	**12,707**	12,135

10. 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 2012 of approximately HK$11,476,000 (2011: HK$4,303,000) of weighted average 635,353,119 (2011: 613,473,338) of ordinary shares in issue.

No diluted earnings per share has been presented as there had been no dilutive potential shares in both periods of 2012 and 2011.

11. INTEREST IN AN ASSOCIATE

	As at 30 September 2012 (Unaudited) *HK$'000*	As at 31 March 2012 (Audited) *HK$'000*
Share of net assets – unlisted		
At beginning of period/year	**–**	–
Acquisition of interest in an associate [(a)]	**–**	56,330
Capital contribution to an associate [(b)]	**–**	2
Share of losses	**–**	(56)
Share of other comprehensive income	**–**	137
Transfer to non-current assets held for sale *(note 12)*	**–**	(56,413)
At end of period/year	**–**	–

(a) On 26 March 2011, the Group entered into an acquisition agreement (the "Acquisition Agreement") with Fullpower Investment Holdings Corp. ("Fullpower") to conditionally acquired 25% equity interest in Suntap Enterprises Ltd. ("Suntap") (the "Interest"), which indirectly holds two coalbed methane gas projects (the "CBM Projects") in the PRC, at a consideration comprising HK$41,000,000 in cash and the issuance of 28,600,000 new shares to Fullpower by the Company (the "Consideration Shares"). Details of the acquisition are laid out in the announcement made by the Company on 28 March 2011. The fair value of the Consideration Shares was valued at HK$15,330,000 at the completion date, i.e. 26 April 2011, by an independent firm of professional valuers. Accordingly, the total consideration was HK$56,330,000 for the acquisition of the Interest. The initial recognition of the investment in the associate during the year ended 31 March 2012 was accounted as purchase of assets and assumption of liabilities since the operation of the associate did not constitute a business for accounting purpose as it was still in early stage of exploration. Accordingly, the purchase consideration has been allocated to the individual assets and liabilities acquired and no goodwill arose on the acquisition.

As part and parcel of the acquisition of the Interest, the Group had advanced a loan of RMB20,000,000 (the "Loan") to Suntap after the acquisition.

11. INTEREST IN AN ASSOCIATE (Continued)

(a) (Continued)

According to the Acquisition Agreement, a repurchase option was granted to Fullpower pursuant to which Fullpower has the right to repurchase the Interest sold to the Group, together with the Loan, at a total consideration of HK$65,000,000 in cash, in certain circumstances, including but not limited to, the Company demanding for the repayment of the Loan from Suntap. Subsequent to the completion of the acquisition, the CBM Projects had made due progress. However, the Company was informed that for the purpose of accelerating the scale of exploration of the CBM Projects, additional shareholders' fundings are required to be provided. Having regard to the tightened liquidity in the capital market and the relatively weak market sentiment, and with a view to preserving the cash resources of the Group in face of the difficult market conditions ahead, the Company considered it appropriate to take a prudent investment approach and issued a demand notice for repayment of the Loan on 29 March 2012. On 30 March 2012, Fullpower exercised the right stated in the Acquisition Agreement to repurchase the Interest, together with the Loan, at a total consideration of HK$65,000,000 (the "Repurchase"). The Interest with net carrying amounts of HK$56,413,000 and the Loan equivalent to HK$24,630,000 as of 30 March 2012 was put together as a disposal group and reclassified as non-current assets held for sale. Accordingly, an impairment loss of HK$16,043,000 was charged to the profit or loss during the last financial year.

The summarised financial information based on the consolidated management accounts of Suntap as at 30 March 2012 is set out below:

	HK$'000
As at 30 March 2012	
Total assets	126,617
Total liabilities	(115,605)
Net assets	11,012
Revenue	–
Loss for the period from 26 April 2011 (date of acquisition) to 30 March 2012	(217)
Total other comprehensive income for the period from 26 April 2011 (date of acquisition) to 30 March 2012	549
Group's share of net assets of the associate based on the purchase price allocation as at 30 March 2012	56,413
Group's share of loss of the associate for the period from 26 April 2011 (date of acquisition) to 30 March 2012	(54)
Group's share of other comprehensive income of the associate for the period from 26 April 2011 (date of acquisition) to 30 March 2012	137

11. INTEREST IN AN ASSOCIATE (Continued)

(b) During the last financial year, the Group set up and held 25% equity interest in Smooth Fortune Investments Limited ("Smooth Fortune"), a company incorporated in the British Virgin Islands which owns the entire equity interest in Artel Corporation Limited ("Artel"), incorporated in Hong Kong, with an independent third party. Artel is engaged in retailing of mobile handsets and accessories. As at 31 March 2012, the carrying amount of the interest in Smooth Fortune was reduced to nil after the share of losses for the year ended 31 March 2012 up to the paid up capital of HK$2,000 contributed by the Group. The Group has discontinued the recognition of its share of losses of the associates during the period because the Group's share of loss exceeds the Group's interest in them. On 31 August 2012, the Group disposed of its 25% equity interest in Smooth Fortune to the independent third party for nil consideration.

As a result, the carrying amount of the investment was nil on 31 August 2012 and no gain or loss of disposal arose from the disposal.

The summarised financial information based on the consolidated management accounts of Smooth Fortune as at 31 March 2012 and 31 August 2012, i.e. the date of disposal, is set out below:

	As at 31 August 2012	As at 31 March 2012
	HK$'000	*HK$'000*
Total assets	**8,577**	3,976
Total liabilities	**(10,740)**	(4,243)
Net liabilities	**(2,163)**	(267)

	For the six months ended 30 September 2012	For the year ended 31 March 2012
Revenue	**9,315**	5,705
Loss for the period/year	**(1,896)**	(275)
Total other comprehensive income for the period/year	**–**	–
Group's share of loss of an associate for the period/year	**–**	(2)
Group's share of other comprehensive income of an associate for the period/year	–	–

11. INTEREST IN AN ASSOCIATE (Continued)

(c) Up to the period ended 30 September 2012, the Group has made an advance of HK$2,500,000 to Artel which is unsecured, interest-free and repayable on demand. Impairment of HK$67,000 was made in the last financial year. In accordance with the agreement for the disposal of the 25% equity interest in Smooth Fortune, the advance to be repaid would be written down by an amount equivalent to the Group's share of net liabilities of Smooth Fortune as at 31 August 2012. Accordingly, an additional impairment loss of HK$474,000 has been recognised for the period. The carrying amount of HK$1,959,000 is included in other receivables as at 30 September 2012.

12. NON-CURRENT ASSETS HELD FOR SALE

	As at 30 September 2012 (Unaudited) ***HK$'000***	As at 31 March 2012 (Audited) *HK$'000*
At beginning of period/year	**65,000**	–
Transfer from interest in an associate *(note 11(a))*	**–**	56,413
Transfer from loan to an associate *(note 11(a))*	**–**	24,630
Less: Impairment loss on the interest in an associate	**–**	(16,043)
At end of period/year	**65,000**	65,000

Non-current assets are classified as assets held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Impairment losses on non-current assets held for sale are recognised in the profit or loss.

As mentioned in note 11 (a), on 30 March 2012, Fullpower exercised the right stated in the Acquisition Agreement for the Repurchase. The Repurchase was originally agreed to be completed on or before 31 May 2012 but was mutually agreed by Fullpower and the Company to extend to 25 June 2012 (or such other earlier date as the parties may agree). On 25 June 2012, Fullpower and the Company mutually agreed to further extend the completion date of the Repurchase to 31 July 2012 (or such other earlier date as the parties may agree). Save as the above, all the other terms of the Repurchase shall continue in full force and effect.

On 31 July 2012, Fullpower requested the Company to allow for a further grace period for the completion of the Repurchase. The Company has been closely following up with Fullpower on the progress. On 17 September 2012, a legal demand letter was presented to Fullpower to urge the completion of the Repurchase by effecting payment of the agreed repurchase consideration of HK$65,000,000.

Although the financing arrangements of Fullpower are still not secured at the date of this report, taking into consideration of the time that would be involved for raising such a huge amount of funds and Fullpower's effort in seeking potential investors actively, the Company is of the view that it is probable that the Repurchase would be completed. On this basis, the directors of the Company consider that the carrying amount of HK$65,000,000 (which is the Repurchase price) of the non-current assets held for sale is representative of its fair value as at 30 September 2012. Depending on the progress, the Company reserves the right to take further actions as necessary with a view to protect its interest (including but not limited to commencing legal proceedings).

13. TRADE RECEIVABLES

	As at 30 September 2012 (Unaudited) ***HK$'000***	As at 31 March 2012 (Audited) *HK$'000*
Trade receivables	**124,294**	94,635
Less: Allowances for impairment of receivables	**(1,108)**	(1,311)
Trade receivables – net	**123,186**	93,324

Trade receivables generally have credit terms of 30 to 120 days (31 March 2012: 30 to 120 days).

At 30 September 2012, the aging analysis of the trade receivables based on invoiced date and net of allowance, is as follows:

	As at 30 September 2012 (Unaudited) ***HK$'000***	As at 31 March 2012 (Audited) *HK$'000*
Current to 30 days	**41,036**	43,478
31 to 60 days	**31,975**	19,407
61 to 90 days	**32,029**	12,990
Over 90 days	**18,146**	17,449
	123,186	93,324

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2012 (Unaudited) ***HK$'000***	As at 31 March 2012 (Audited) *HK$'000*
Hong Kong listed equity investments	**3,086**	2,878
Hong Kong unlisted debt investments	**28,157**	37,862
Hong Kong unlisted currency notes	**4,471**	4,760
Overseas listed equity investments	**464**	814
Overseas unlisted funds investments	**12,594**	15,618
Overseas unlisted debt investments	**38,180**	12,559
	86,952	74,491

15. TRADE PAYABLES

	As at 30 September 2012 (Unaudited) *HK$'000*	As at 31 March 2012 (Audited) *HK$'000*
Trade payables	**63,618**	58,820

At 30 September 2012, the aging analysis of the trade payables based on invoiced date, is as follows:

	As at 30 September 2012 (Unaudited) *HK$'000*	As at 31 March 2012 (Audited) *HK$'000*
Current to 30 days	**25,033**	34,580
31 to 60 days	**6,005**	7,995
61 to 90 days	**13,452**	2,835
Over 90 days	**19,128**	13,410
	63,618	58,820

16. SHARE CAPITAL

	Number of shares	***HK$'000***
Authorised:		
Ordinary shares of HK$0.10 each at 31 March and 30 September 2012	800,000,000	80,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1 April 2011	606,753,119	60,675
Issue of shares for the acquisition of interest in an associate	28,600,000	2,860
At 31 March and 30 September 2012	635,353,119	63,535

17. BANKING FACILITIES

At 30 September 2012, general banking facilities available to the Group amounted to HK$291,275,000 (31 March 2012: HK$249,075,000). The amount of banking facilities utilised by the Group amounted to HK$23,642,000 as at 30 September 2012 (31 March 2012: HK$29,317,000).

At 30 September 2012, certain of the Group's properties amounting to HK$37,080,000 (31 March 2012: HK$37,080,000) were pledged to secure general banking facilities granted to the Group.

18. OPERATING LEASE COMMITMENTS

	As at 30 September 2012		As at 31 March 2012	
	Land and buildings (Unaudited)	**Other assets (Unaudited)**	Land and buildings (Audited)	Other assets (Audited)
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Within one year	**8,083**	**524**	8,880	566
In the second to fifth years, inclusive	**13,854**	**1,661**	17,927	1,918
After five years	**10,946**	**–**	11,267	–
	32,883	**2,185**	38,074	2,484

19. CAPITAL COMMITMENTS

	As at 30 September 2012 (Unaudited)	As at 31 March 2012 (Audited)
	HK$'000	*HK$'000*
Contracted for but not provided:		
Acquisition of investment properties	**17,616**	–

As at the date of this report, the acquisition of one investment property with a purchase consideration of HK$10,693,000, of which a deposit of HK$1,069,300 was paid during the six months ended 30 September 2012, has been completed.

EXTRACT OF MODIFICATION TO THE CONCLUSION IN THE REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Basis for Qualified Conclusion

As stated in notes 11 (a) and 12 to the interim financial information, the Group had classified the 25% equity interest (the "Interest") in and the loan (the "Loan") to an associate, Suntap Enterprises Ltd., of approximately HK$56.4 million and approximately HK$24.6 million, respectively before impairment loss, as a disposal group (the "Disposal Group") held for sale in the condensed consolidated statement of financial position as at 30 September 2012 because the vendor of the Interest, Fullpower Investment Holdings Corp. ("Fullpower"), exercised the repurchase option stated in the acquisition agreement to repurchase the Interest together with the Loan at a total consideration of HK$65 million on 30 March 2012 (the "Repurchase"). An impairment loss of approximately HK$16 million was recognised in the consolidated income statement for the year ended 31 March 2012 resulting in a net aggregate carrying amount of the Interest and the Loan of HK$65 million as at 30 September 2012.

In accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5"), the Interest of the Disposal Group classified as held for sale should be recognised at the lower of its carrying amount and its fair value less costs to sell whereas the Loan of the Disposal Group classified as held for sale should be measured at its amortised cost less impairment following the measurement requirements of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39").

As explained in notes 11 (a) and 12, the carrying amount of the Disposal Group as at 30 September 2012 was brought forward from the Company's consolidated financial statements for the year ended 31 March 2012 and was determined based on the agreed repurchase consideration of HK$65 million. The repurchase consideration was negotiated as part of the original acquisition agreement dated 26 March 2011. It equals the cash portion of the consideration paid by the Group to Fullpower in exchange for the Interest and the Loan advanced by the Group to the associate after the acquisition but excludes the value of the share portion of the consideration for the acquisition. The completion of the Repurchase (including the settlement of the repurchase consideration) was extended to take place on 31 July 2012 but remained outstanding as at 30 September 2012.

Fullpower informed the Company that the operations of the associate remained at an early stage of exploration as at 30 September 2012 which was essentially similar to that as at 31 March 2012. On 17 September 2012, a legal demand letter was presented to Fullpower to urge the completion of the Repurchase by effecting payment of the repurchase consideration of HK$65 million. The Company is of the view that although the Repurchase has not yet been completed as at 30 September 2012, it is still within one year upon the exercise of the repurchase option and Fullpower is actively seeking source of finance and is committed to complete the Repurchase in the near future. Based on these factors, the directors of the Company considered that the repurchase consideration of HK$65 million closely approximates the fair value of the Interest and the amortised cost of the Loan as at 30 September 2012, and the costs to complete the sale were estimated to be immaterial. Therefore, the Company concluded that no adjustment to the carrying amount of the Disposal Group was necessary at this stage.

However, we were unable to verify the management's assessment. The repurchase consideration was predetermined more than one year ago from 30 September 2012. It might not be representative of the fair value of the Interest of the Disposal Group as at 30 September 2012. There was no alternative evidence available to determine the fair value of the Interest of the Disposal Group as the operations of the associate were at an early stage of exploration. Regarding the carrying amount of the Loan, the postponement of the completion of the Repurchase indicates that the Loan might have been impaired as at 30 September 2012. We were unable to ascertain Fullpower's financial ability to complete the Repurchase with documentary evidence.

Accordingly, we were unable to determine whether the carrying amount of the Disposal Group in the condensed consolidated statement of financial position of HK$65 million as at 30 September 2012 was free from material misstatement. Any adjustment found to be necessary would reduce the Group's net assets as at 30 September 2012 and the Group's net profit for the six months ended 30 September 2012, and would have consequential effect on the related disclosures thereof in the interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Operation

The principal activities of the Group continue to be manufacture and sale of paper cartons, packaging boxes and children's novelty books, manufacture and sale of hangtags, labels, shirt paper boards and plastic bags, commercial printing and asset management businesses.

For the period under review, the Group achieved a turnover of approximately HK$243.7 million for the six months ended 30 September 2012, representing a decrease of approximately 22.0% from approximately HK$312.5 million compared with the corresponding period ended 30 September 2011. Gross profit margin of the Group was increased to 25.7% for the period under review from that of corresponding period of 2011 of 21.8%. The Group's profit attributable to equity holders was increased by 166.7% from that of last corresponding period of approximately HK$4.3 million, to approximately HK$11.5 million. Due to the volatile global financial markets, the Group recorded a mark-to-market gain on the Group's financial assets amounted to approximately HK$0.9 million during the period under review while a mark-to-market loss from the Group's financial assets of approximately HK$13.9 million was recorded in last corresponding period. The increase in net profit attributable to equity holders was mainly due to the recovery of mark-to-market value on the Group's financial assets, which was partially offset by the decrease in gross profit to HK$62.7 million for the period under review from HK$68.0 million in last corresponding period. Decrease in gross profit was primarily attributable to the reduction in orders from the Group's customers.

The business segment of manufacture and sale of paper cartons, packaging boxes and children's novelty books continued to be the Group's major business. For the period under review, the Group recorded total revenue of approximately HK$195.1 million from this major business segment, which was decreased by about 25.1% compared to that of last corresponding period of approximately HK$260.6 million. The profit from this segment decreased from last corresponding period of approximately HK$11.7 million to approximately HK$6.8 million for the six months ended 30 September 2012. Such decrease in net profit was mainly attributable to decrease in orders from customers caused by the weak demand in the export market.

The business segment of manufacture and sale of hangtags, labels, shirt paper boards and plastic bags continued to face the pressure of intensive competition. The revenue from this business segment slightly decreased to approximately HK$15.0 million for the period under review from that of the last corresponding year of approximately HK$15.6 million. The profit from this business segment increased from last corresponding period of approximately HK$0.6 million to approximately HK$1.5 million for the six months ended 30 September 2012.

The business segment of commercial printing was adversely affected by the decrease in revenue and increase in operating costs. The revenue generated in this business segment decreased from HK$36.3 million to HK$33.7 million while the profit from this business segment decreased to HK$2.2 million, as compared to last corresponding period of HK$6.5 million.

Fair value of non-current assets held for sale

For the consolidated financial statements of the Company for the period ended 30 September 2012, the independent auditor of the Company has issued a qualified conclusion in respect of the carrying amount of the 25% interest in Suntap, together with the shareholder's loan (collectively, the "Disposal Asset"). The basis for qualified conclusion (including, among other things, the consequential effect of any adjustments found to be necessary on the carrying amount of Disposal Asset) and the qualified conclusion arising from limitation of scope is set out in the section headed "Extract of Modification to the conclusion in the Report on Review of Interim Financial Information".

In this respect, the Company's view on the carrying amount of the Disposal Asset is set out in note 12 to the financial statements. The Company is of the view that although the Repurchase has not yet been completed as at 30 September 2012, it is still within one year upon the exercise of the repurchase option and Fullpower is actively seeking source of finance and is committed to complete the repurchase in the near future. On this basis, the directors of the Company consider that the carrying amount of HK$65.0 million (which is the repurchase price) of the Disposal Asset is representative of its fair value as at 30 September 2012.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. During the period under review, the Group was financially sound with healthy cash position. The Group's cash and bank balances and short term bank deposits as at 30 September 2012 amounted to approximately HK$92.9 million (31 March 2012: HK$124.8 million). The Group's gearing ratio as at 30 September 2012 was 4.7% (31 March 2012: 5.8%) based on the interest bearing bank borrowings of approximately HK$23.6 million (31 March 2012: HK$29.1 million) and the total equity of HK$507.6 million (31 March 2012: HK$500.4 million).

The Board believes that the Group's cash holding, liquid asset value, future revenue and available facilities from major shareholders will be sufficient to meet its working capital requirement of the Group.

Exchange rate exposure

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. For the six months ended 30 September 2012, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars were relatively stable under the current peg system, and the Group managed the exchange rate exposures of Renminbi and Hong Kong or US dollars through entering into forward contracts in relation to US dollars and Renminbi which are included in financial assets at fair value through profit or loss.

Financial guarantees and charges on assets

As at 30 September 2012, corporate guarantees amounting to approximately HK$159.6 million (31 March 2012: HK$179.7 million) were given to banks by the Company for the provision of general banking facilities granted to the Group's subsidiaries, which were secured by legal charges on certain properties owned by the Group of approximately HK$37.1 million (31 March 2012: HK$37.1 million).

CONTINGENT LIABILITIES

As at 30 September 2012, the Group had no contingent liabilities.

PROSPECTS

Looking forward, it is expected that the operating environment in the printing and packaging industry will continue to be tough and difficult. Because of the uncertain economic recovery in the United States and the European Union, the overseas demand for our products remains volatile. The intense competition in the printing and packaging industry also limit the Group to pass the inflating cost to customers. Due to seasonality of the printing and packaging industry, the second half of the financial year will be even more challenging. In order to tackle the anticipated challenges and stay competitive, the Group will endeavor to widen its customer bases and continue to implement stringent cost control and management strategies. These includes reducing fixed costs for manufacturing operations, effective management in purchase and inventories level and credit tightening on customers. However, it is foreseen that the consistent increase in costs of labour and raw materials will limit the effect of cost control measures.

For the purpose of sustaining long term growth, the directors will also keep on exploring all potential opportunities to develop its business.

DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: Nil)

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has compiled the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules for the six months ended 30 September 2012 except for the deviation from Code provision A.4.1 in that the non-executive directors were not appointed for a specific term and Code provision A.5.1 in that no nomination committee has been established. However, as the Bye-laws of the Company stipulate that one-third of the directors shall retire from office by rotation so that each director shall be subject to retirement at least once every three years and the procedures for shareholders to elect a director has properly published in the Company's website, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the Code.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the six months ended 30 September 2012, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2012, the Group had an available workforce of approximately 1,180, of which around 1,025 were based in the PRC.

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

The Group has established a Remuneration Committee with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group.

The Remuneration Committee comprises 4 members, namely Mr. Lo Wing Man, Dr. Lam Chun Kong, Dr. Ng Lai Man, Carmen (all independent non-executive directors) and Mr. Lui Shing Ming, Brian, an executive director of the Company. This Committee is chaired by Mr. Lo Wing Man.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the directors. All directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, whom are independent non-executive directors, namely Dr. Ng Lai Man, Carmen, Dr. Lam Chun Kong and Mr. Lo Wing Man. This Committee is chaired by Dr. Ng Lai Man, Carmen.

The Audit Committee has reviewed with management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 September 2012.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2012 has been reviewed by BDO Limited, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By Order of the Board
Lui Shing Ming, Brian
Chairman

Hong Kong, 22 November 2012

As at the date of this announcement, the executive Directors of the Company are Mr. Lui Shing Ming Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung Victor and the independent non-executive Directors are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man Carmen.