Come Sure Group (Holdings) Limited
錦勝集團(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00794)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2016

GROUP RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Come Sure Group (Holdings) Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**815,127**	921,231
Cost of goods sold		**(645,015)**	(714,611)
Gross profit		**170,112**	206,620
Other income	*4*	**9,711**	14,160
Other gains and losses	*5*	**(59,268)**	4,725
Fair value changes of investment properties		**3,420**	15,360
Selling expenses		**(42,310)**	(47,607)
Administrative expenses		**(114,349)**	(117,854)
Other operating expenses		**(15,734)**	(6,141)
(Loss) profit from operations		**(48,418)**	69,263
Finance costs	*6*	**(11,941)**	(10,254)
(Loss) profit before tax		**(60,359)**	59,009
Income tax expense	*7*	**(10,174)**	(9,424)
(Loss)/profit for the year	*8*	**(70,533)**	49,585
(Loss)/profit for the year attributable to:			
Owners of the Company		**(66,002)**	53,935
Non-controlling interests		**(4,531)**	(4,350)
		(70,533)	49,585
(Loss)/Earnings per share	*10*		
Basic and diluted		**(HK18.22 cents)**	HK14.89 cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
(Loss)/profit for the year	*8*	**(70,533)**	49,585
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(28,296)**	691
Other comprehensive (expense)/income for the year, net of income tax		**(28,296)**	691
Total comprehensive (expense)/income for the year		**(98,829)**	50,276
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(93,102)**	54,590
Non-controlling interests		**(5,727)**	(4,314)
		(98,829)	50,276

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Non-current assets			
Prepaid lease payments		**64,041**	68,975
Property, plant and equipment		**283,125**	271,811
Investment properties		**208,180**	204,760
Goodwill		**11,631**	11,631
Deposits paid for acquisition of property, plant and equipment		**23,832**	29,981
Available-for-sale investment		**10,609**	10,100
Club membership		**366**	366
Held to maturity investment		**–**	9,881
Deferred tax asset		**–**	1,401
		601,784	608,906
Current assets			
Inventories		**68,057**	80,990
Trade and bills receivables	*11*	**198,112**	220,672
Prepayments, deposits and other receivables		**24,527**	44,786
Amounts due from non-controlling shareholders		**29**	29
Prepaid lease payments		**1,528**	1,606
Tax recoverable		**285**	285
Financial assets designated as at fair value through profit or loss		**53,301**	53,174
Derivative financial instruments		**–**	203
Held for trading investments		**36,493**	6,740
Pledged bank deposits		**135,640**	175,171
Bank and cash balances		**121,867**	204,232
		639,839	787,888

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Current liabilities			
Trade and bills payables	*12*	**99,126**	127,201
Accruals and other payables		**81,807**	84,863
Amounts due to non-controlling shareholders		**27,886**	27,409
Short-term borrowings		**326,648**	357,900
Current tax liabilities		**22,350**	17,479
Derivative financial instruments		**13,831**	4,783
Current portion of long-term borrowings		**114,851**	99,220
Amount due to a director		**–**	135
		686,499	718,990
Net current (liabilities) assets		**(46,660)**	68,898
Total assets less current liabilities		**555,124**	677,804
Non-current liabilities			
Amounts due to non-controlling shareholders		**4,627**	6,412
Long-term borrowings		**8,671**	10,146
Deferred tax liabilities		**4,060**	4,724
		17,358	21,282
NET ASSETS		**537,766**	656,522
Capital and reserves			
Share capital		**3,623**	3,623
Reserves		**531,963**	644,992
Equity attributable to owners of the Company		**535,586**	648,615
Non-controlling interests		**2,180**	7,907
		537,766	656,522

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net current liabilities of approximately HK$46,660,000 as at 31 March 2016 and incurred a net loss of approximately HK$70,533,000 for the year ended 31 March 2016.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the next twelve months from 31 March 2016 by taking into consideration the followings:

(i) the unutilised banking facilities readily available to the Group amounted to approximately HK$493,914,000;

(ii) bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause and shown under current liabilities amounted to approximately HK$94,803,000. The directors of the Company are of the view that the chance for the banks to exercise their discretionary rights to demand immediate repayment is remote. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements; and

(iii) the Group is able to generate adequate cash flows to maintain its operations according to above forecast.

Based on the above, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations when they fall due for the next twelve months from 31 March 2016. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any necessary adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**"), amendments and Interpretations ("**Int(s)**"), issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Annual Improvements to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendents to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments'assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company consider that the application of the amendments to HKFRSs 2010-2012 Cycle has had no material impact on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Annual Improvements to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and
(b) the transaction meets the definition of a business combination under HKFRS 3.

The amendments are applied prospectively. The directors of the Company consider that the application of the amendments to HKFRSs 2011–2013 Cycle has had no material impact on the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

HKFRS 9 (2014)	Financial Instruments[3]
HKFRS 15	Revenue from Contracts with Customers[4]
HKFRS 16	Leases[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	According for Acquisitions of Interests in Joint Operations[1]
Amendments to HKFRS 15	Clarification of Revenue from Contracts with Customers[3]
Amendments to HKAS 7	Disclosure initiative[2]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised leases[2]

[1] Effective for annual periods beginning on or after 1 January 2016.
[2] Effective for annual periods beginning on or after 1 January 2017.
[3] Effective for annual periods beginning on or after 1 January 2018.
[4] Effective date not yet been determined.
[5] Effective for annual periods beginning on or after 1 January 2019.

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)**

HKFRS 9 (2014) Financial Instruments (Continued)

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

(i) Identify the contract with the customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Annual Improvements to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Annual Improvements to HKFRSs 2012–2014 Cycle (Continued)

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012–2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

(i) when the intangible asset is expressed as a measure of revenue;

(ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue of the Group represents revenue arising on sale of goods and gross rental income received during the year.

Segment information

The chief operating decision makers have been identified as the executive directors of the Company (the "**Executive Directors**"). The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. Management determined the operating segments based on the internal reports.

The Group has three reportable and operating segments under HKFRS 8 as follows:

Corrugated products	—	manufacture and sale of corrugated board and corrugated paper-based packing products;
Offset printed corrugated products	—	manufacture and sale of offset printed corrugated products; and
Properties leasing	—	properties leased in Hong Kong for rental income.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 March 2016

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Properties leasing** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Segment revenue					
External sales	**660,910**	**149,589**	**4,628**	**–**	**815,127**
Inter-segment sales	**27,240**	**10,700**	**–**	**(37,940)**	**–**
Total	**688,150**	**160,289**	**4,628**	**(37,940)**	**815,127**
Segment profit	**26,614**	**7,012**	**7,391**		**41,017**
Fair value changes of derivative financial instruments					**(9,251)**
Dividend income from held for trading investments					**253**
Fair value changes of held for trading investments					**(27,495)**
Income from structured foreign currency forward contracts and structured performance swap					**(19,419)**
Income from structured deposits					**1,197**
Fair value changes of financial assets designated as at FVTPL					**127**
Loss on disposal of held-to-maturity investments					**(477)**
Loss on disposal of held for trading investments					**(3,950)**
Finance costs					**(11,941)**
Impairment loss on other receivables					**(14,560)**
Corporate income and expenses					**(15,860)**
Loss before tax					**(60,359)**

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2015

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	758,330	158,472	4,429	–	921,231
Inter-segment sales	15,423	18,124	–	(33,547)	–
Total	773,753	176,596	4,429	(33,547)	921,231
Segment profit	51,028	15,941	19,187		86,156
Interest income					9
Fair value changes of derivative financial instruments					(3,915)
Impairment loss on goodwill					(2,800)
Dividend income from held for trading investments					52
Fair value changes of held for trading investments					1,736
Income from structured foreign currency forward contracts and structured performance swap					3,826
Income from structured deposits					2,099
Fair value changes of financial assets designated as at FVTPL					1,220
Loss on disposal of available-for-sale investments					(547)
Gain on disposal of held for trading investments					306
Finance costs					(10,254)
Corporate income and expenses					(18,879)
Profit before tax					59,009

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profits represented the profit earned each segment without allocation of interest income, fair value changes of derivative financial instruments, fair value changes of financial assets designated as at FVTPL, fair value changes of held for trading investments, income from structured foreign currency forward contracts and structured performance swap, income from structured deposits, dividend income from held for trading investments, loss on disposal of available-for-sale investments, gain on disposal of held for trading investments, loss on disposal of held-to-maturity investments, impairment loss on other receivables, finance costs, impairment loss on goodwill and corporate income and expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 March 2016

	Corrugated products *HK$'000*	Offset printed corrugated *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	**778,256**	**120,329**	**208,014**	**1,106,599**
Total assets for reportable segments				**1,106,599**
Unallocated items:				
Leasehold land in Hong Kong for corporate use				**1,246**
Investment properties				**780**
Goodwill				**11,631**
Club membership				**366**
Amounts due from non-controlling shareholders				**29**
Tax recoverable				**285**
Held for trading investments				**36,493**
Bank balances managed on central basis				**8,306**
Available-for-sale investments				**10,609**
Financial assets designated as at FVTPL				**53,301**
Others				**11,978**
Consolidated assets				**1,241,623**
Segment liabilities	**141,791**	**33,339**	**893**	**176,023**
Total liabilities for reportable segments				**176,023**
Unallocated items:				
Current tax liabilities				**22,350**
Deferred tax liabilities				**4,060**
Amounts due to non-controlling shareholders				**32,513**
Borrowings				**450,170**
Derivative financial instruments				**13,831**
Others				**4,910**
Consolidated liabilities				**703,857**

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2015

	Corrugated products *HK$'000*	Offset printed corrugated *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	943,940	132,525	204,752	1,281,217
Total assets for reportable segments				1,281,217
Unallocated items:				
Leasehold land in Hong Kong for corporate use				1,286
Investment properties				560
Goodwill				11,631
Club membership				366
Deferred tax assets				1,401
Amounts due from non-controlling shareholders				29
Tax recoverable				285
Held for trading investments				6,740
Bank balances managed on central basis				2,901
Available-for-sale investments				10,100
Derivative financial instruments				203
Financial assets designated as at FVTPL				53,174
Held-to-maturity investments				9,881
Others				17,020
Consolidated assets				1,396,794
Segment liabilities	178,281	30,481	899	209,661
Total liabilities for reportable segments				209,661
Unallocated items:				
Current tax liabilities				17,479
Deferred tax liabilities				4,724
Amounts due to non-controlling shareholders				33,821
Borrowings				467,266
Derivative financial instruments				4,783
Amount due to a director				135
Others				2,403
Consolidated liabilities				740,272

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment property for capital appreciation purposes, goodwill, intangible assets, club membership, deferred tax asset, amounts due from non-controlling shareholders, held for trading investments, bank balances managed on central basis, available-for-sale investments, derivative financial instruments, financial assets designated as at FVTPL, tax recoverable and corporate assets; and

- all liabilities are allocated to segments other than current tax liabilities, deferred tax liabilities, amounts due to non-controlling shareholders, derivative financial instruments, borrowings, amount due to a director and corporate liabilities.

3. **REVENUE AND SEGMENT INFORMATION (Continued)**

Other segment information:

2016

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Properties leasing** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Depreciation and amortisation	**21,246**	**8,162**	**–**	**54**	**29,462**
Additions to non-current assets *(note)*	**28,563**	**21,133**	**–**	**–**	**49,696**
Loss on disposal of property, plant and equipment	**518**	**–**	**–**	**–**	**518**
Impairment loss on goodwill	**–**	**–**	**–**	**–**	**–**
Allowance for doubtful debts	**–**	**–**	**–**	**–**	**–**
Impairment loss on other receivables	**–**	**–**	**–**	**14,560**	**14,560**

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interest income	**(5,480)**	**(21)**	**–**	**–**	**(5,501)**
Interest expenses	**9,549**	**2,100**	**292**	**–**	**11,941**
Income tax expense	**7,110**	**1,581**	**82**	**1,401**	**10,174**

Note: Additions to non-current assets included property, plant and equipment and deposits paid for acquisition of property, plant and equipment.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information: (Continued)

2015

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Depreciation and amortisation	21,344	6,031	–	60	27,435
Additions to non-current assets *(note)*	51,046	26,719	–	162	77,927
Gain on disposal of property, plant and equipment	(151)	(48)	–	–	(199)
Impairment loss on goodwill	–	–	–	2,800	2,800
Allowance for doubtful debts	3,092	34	–	–	3,126

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interest income	(5,160)	(53)	–	(9)	(5,222)
Interest expenses	8,024	1,921	309	–	10,254
Income tax expense	6,749	2,660	15	–	9,424

Note: Additions to non-current assets included property, plant and equipment and deposits paid for acquisition of property, plant and equipment.

Geographical information:

The Group's operations are located in the People's Republic of China (the "**PRC**"), Hong Kong and Macau.

Information about the Group's revenue from external customers is presented based on the location of the customers and information about its non-current assets is presented based on the geographical location as detailed below:

	Revenue from external customers		**Non-current assets**	
	2016 ***HK$'000***	2015 *HK$'000*	**2016** ***HK$'000***	2015 *HK$'000*
Hong Kong	**113,659**	71,767	**272,618**	246,931
Macau	**129,544**	–	**57**	69
PRC except Hong Kong and Macau	**571,924**	849,464	**318,594**	340,524
Consolidated total	**815,127**	921,231	**591,269**	587,524

3. REVENUE AND SEGMENT INFORMATION (Continued)

Information about a major customer:

Details of the customers accounting for 10% or more of aggregate revenue of the Group during the year are as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**102,953**	98,934

[1] Revenue from corrugated products.

4. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Dividend income from held for trading investments	**253**	52
Government subsidies *(note (a))*	**301**	802
Interest income	**5,501**	5,222
Gain on disposal of property, plant and equipment	**–**	199
Income from online game and internet business	**2,381**	6,912
Sundry income	**1,275**	973
	9,711	14,160

Note:

(a) During the year, government grants have been received by the Group from the government for the contribution of the business development, local incentives and design and development of environmental-protected corrugated paper-based packaging products which are directly recognised in profit or loss.

5. OTHER GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Loss on disposal of held-to-maturity investments	**(477)**	–
Loss on disposal of available-for-sales investments	**–**	(547)
(Loss) gain on disposal of held for trading investments	**(3,950)**	306
Fair value changes of derivative financial instruments	**(9,251)**	(3,915)
Fair value changes of held for trading investments	**(27,495)**	1,736
Fair value changes of financial assets designated as at FVTPL	**127**	1,220
Income from structured deposits	**1,197**	2,099
(Loss) gain from structured foreign currency forward contracts and structured performance swap	**(19,419)**	3,826
	(59,268)	4,725

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
— bank borrowings	**10,904**	9,172
— other borrowings	**428**	442
— amount due to a non-controlling shareholder	**609**	640
	11,941	10,254

7. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**1,089**	916
Under (over) provision in previous years	**281**	(199)
	1,370	717
PRC enterprise income tax ("**EIT**")		
Current tax	**7,756**	8,733
Under provision in previous years	**87**	45
	7,843	8,778
Deferred tax	**961**	(71)
	10,174	9,424

Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

A portion of the Group's profit for the years ended 31 March 2016 and 2015 are earned by the Macau subsidiaries of the Group incorporated under the Macao SAR's Offshore Law. Pursuant to the Macao SAR's Offshore Law, such portion of profits is exempted from Macau complimentary tax. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

8. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging (crediting) the followings:

	2016	2015
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**27,904**	25,928
Amortisation of prepaid lease payments	**1,558**	1,507
Total depreciation and amortisation	**29,462**	27,435
Cost of inventories sold *(note (a))*	**644,862**	714,365
Direct operating expense of investment properties that generate rental income	**153**	246
Total cost of goods sold	**645,015**	714,611
Auditors' remuneration	**1,210**	1,210
Loss (gain) on disposal of property, plant and equipment	**518**	(199)
Impairment loss on goodwill (included in other operating expenses)	**–**	2,800
Minimum lease payment paid under operating lease in respect of land and buildings	**22,507**	18,874
Allowance for doubtful debts (included in other operating expenses)	**–**	3,126
Net foreign exchange loss	**2,259**	3,548
Impairment loss on other receivables (included in other operating expenses)	**14,560**	–

Note:

(a) Cost of inventories sold includes staff costs, depreciation and operating lease charges totaled of approximately HK$113,057,000 (2015: HK$124,661,000) which are included in the amounts disclosed separately above for depreciation and operating lease charges.

9. DIVIDEND

	2016	2015
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year 2015 Final dividend — HK5.5 cents (2015: 2014 final dividend — HK3.5 cents) per share	**19,927**	12,681

No final dividend for the year ended 31 March 2016 was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of the reporting period.

10. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

(Loss) Earnings

	2016	2015
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company	**(66,002)**	53,935

Number of shares

	2016	2015
	Number of Shares	*Number of Shares*
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**362,300,000**	362,300,000

The calculation of diluted loss/earnings per share for the year ended 31 March 2016 and 2015 did not assume the exercise of the Company's share options because the exercise prices of those options were higher than the average market price for shares for the both 2016 and 2015.

11. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 120 days after the end of the month in which the revenue recognised. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The ageing analysis of trade and bills receivables, based on the due date for settlement, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Trade receivables:		
Not yet due for settlement	**172,509**	191,859
Overdue:		
1 to 30 days	**5,897**	8,428
31 to 90 days	**7,589**	4,129
91 to 365 days	**2,813**	12,378
Over 1 year	**18,669**	12,793
	207,477	229,587
Less: Allowance for doubtful debts	**(14,590)**	(15,117)
	192,887	214,470
Bills receivables	**5,225**	6,202
	198,112	220,672

11. TRADE AND BILLS RECEIVABLES (Continued)

Included in the Group's trade receivable balance are debtors (see below for ageing analysis) which are past due as at the reporting date for which the Group has not provided for impairment loss because there was no significant change in credit quality and the amounts are still considered recoverable. Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Ageing of trade receivables which are past due but not impaired

	2016	2015
	HK$'000	*HK$'000*
Overdue by:		
1 to 90 days	**13,486**	9,428
91 to 365 days	**2,813**	13,183
Over 1 year	**4,079**	–
Total	**20,378**	22,611

Movement in the allowance for doubtful debts

	2016	2015
	HK$'000	*HK$'000*
At 1 April	**15,117**	12,059
Allowance for doubtful debts for overdue trade receivables	**–**	3,126
Write off as bad debts	**–**	(77)
Exchange differences	**(527)**	9
At 31 March	**14,590**	15,117

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$14,590,000 (2015: HK$15,117,000) which have either been placed under liquidation or in severe financial difficulties.

The carrying amounts of the trade and bills receivables are denominated in the following currencies:

	2016	2015
	HK$'000	*HK$'000*
HK$	**29,082**	48,790
US$	**25,839**	28,299
RMB	**142,076**	141,727
Australian dollars	**1,115**	1,856
	198,112	220,672

12. TRADE AND BILLS PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2016	2015
	HK\$'000	*HK\$'000*
Trade payables:		
0 to 30 days	**41,067**	55,973
31 days to 90 days	**1,037**	764
Over 90 days	**554**	264
	42,658	57,001
Bills payables	**56,468**	70,200
	99,126	127,201

Payment terms granted by suppliers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 90 days after invoice date in which the relevant purchase occurred. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The carrying amounts of trade and bills payables are denominated in the following currencies:

	2016	2015
	HK\$'000	*HK\$'000*
HK\$	**6,012**	14,347
RMB	**93,114**	112,854
	99,126	127,201

EXTRACT FROM INDEPENDENT AUDIT REPORT PREPARED BY THE INDEPENDENT AUDITOR

The Group would like to provide an extract from the independent audit report prepared SHINEWING (HK) CPA Limited (the independent auditor) on the Group's annual financial statements for the year ended 31 March 2016 as set out below:

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$70,533,000 for the year ended 31 March 2016 and, as of that date, the Group's current liabilities exceed its current assets by approximately HK$46,660,000. Such condition, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the year ended 31 March 2016 (the "**Year**"), the changes in consumption resulted from irreversible global trend of e-commerce, boosted the demand for logistic facilities and paper packaging. The importance of e-commerce has been growing in the People's Republic of China (the "**PRC**" or "**China**"), whereas Premier of the State Council of the PRC Li Keqiang mentioned "Internet Plus" action plan for the very first time in has government's work report in March 2015. As the State Post Bureau of the PRC reported, the annual business volume of China's express delivery sector in 2015 reached 20.67 billion pieces, representing an increase of 48% as compared to 2014.

However, the gross domestic product (the "**GDP**") growth rate in China, reported by the National Bureau of Statistics of the PRC, moderated to 6.9% in 2015 from 7.3% in 2014, reflecting a weakening momentum in consumption. Meanwhile, in order to satisfy the change of logistic mode, the PRC government continued its effort in enhancing the industry standard, in terms of product quality and environmental protection, by phasing out small-medium size companies with outdated capacities, which further sped up the industry integration.

In general, the national demand for paper packaging fluctuated during the Year, while higher quality in the packaging products is desired. According to the industrial annual report released by China Paper Association, the production volume of corrugated board in the PRC recorded a slight increase of 2.98% to 22.45 million tons in 2015 as compared to 2014, while consumption of corrugated board recorded a year-on-year increase of 2.54% to 22.97 million tons. International Corrugated Case Association (the "**ICCA**") estimated that the gross output value of the PRC packaging industry in 2015 amounted to no less than RMB1,500 billion, and is expected to break through at approximately RMB1,900 billion in 2016. In line with the upward trend, paper packaging manufacturers who keep pace with the industry standards enhancement are expected to have promising prospects.

Business Review

In response to the changes in the demand trend of paper packaging, the Group initiated business integration between its factories in Guangdong, including Shenzhen and Huidong, during the Year. The strategic business integration aims to enhance the overall production efficiency of the Group in long term with increased resource sharing. Due to the global economic fluctuations and the temporary close of the corrugated board production line in Huidong as part of the business integration, the Group's revenue for the Year decreased by 11.5% to HK$815.1 million. Yet, the Group believes the business integration is beneficial to the Group's operation and profitability in long term.

Due to the rising logistic needs driven by the development of online shopping and e-commerce, the Group is optimistic about the demand of high-quality structural paper packaging in the long term, while the phasing out of the outdated capacities is speeded up by the increasing global environmental awareness. The Group's new factory plant in Fujian ("**Fujian Plant**") completed construction during the Year. Production at Fujian Plant is expected to commence in 2nd half of 2016, and the Group has started receiving orders from the surrounding areas. Not only enhancing the Group's production capacity, but the commencement of the Fujian Plant's production is also believed to expand the Group's business by bringing in new clients from the surrounding areas.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group operates with multiple currencies, mainly Renminbi ("**RMB**"), Hong Kong dollars ("**HKD**") and US dollars ("**USD**"), and is exposed to foreign currency risk in its business operations. To hedge the currency risk and economic risk, the Group maintains structured foreign currency forward contracts, as well as diversifies its investment with equity securities and investment properties. Under situations of the depreciation of RMB and the severe volatility of the PRC stock market, the Group recognised both losses arising from RMB forward contracts and fair value loss on investment in listed securities in the PRC during the Year. In addition, the Group's fair value gain of investment properties for the Year was reduced due to slower growth in the property market. Therefore, the Group recorded a net loss of approximately HK$70.5 million for the Year as compared to a net profit of approximately HK49.6 million for the year ended 31 March 2015.

The Group kept closely monitoring the development of its solar cell business through its available for sale investment, Xiamen Weihua Solar Limited ("**Xiamen Weihua**"). During the Year, Xiamen Weihua has made a further breakthrough in the laboratory photoelectric conversion efficiency of its perovskite ("**PVSK**") solar cell, which has proven to reach approximately 21.5%. Upon the completion of equipment installations for the mid-scale pilot production line, the production line has been implementing under the trial testing as scheduled, paving the way for future mass production with large-scale equipment installation planning in later stage.

Result of Operation

	2016		2015	
	HK$'000	*(%)*	*HK$'000*	*(%)*
Paper-based packaging				
PRC domestic sales	**553,710**	**68.3**	542,926	59.2
Domestic delivery export	**224,561**	**27.7**	339,796	37.1
Direct export	**32,228**	**4.0**	34,080	3.7
	810,499	**100.0**	916,802	100.0
Properties investment				
Rental income	**4,628**		4,429	
Total revenue	**815,127**		921,231	
Gross profit margin		**20.9**		22.4
Net profit margin		**N/A***		5.4

* As a loss was generated for the Year, the net profit margin calculation was irrelevant.

Revenue

The revenue of the Group for the Year decreased by 11.5% to approximately HK$815.1 million from approximately HK$921.2 million for the year ended 31 March 2015.

Guangdong operation

Due to the downturn of the macro economic environment, the demand for paper packaging was being dragged in line with the challenging global retail market during the Year. In addition, the price of the printed cartons and other paperwares dropped further, while the industrial overcapacity problem in the PRC continued. Yet, the Group maintained sufficient revenue from printed cartons and other paper-wares during the Year of approximately HK$714.0 million, representing a slight decrease of approximately 5.0% from HK$751.4 million for the last corresponding year. The Group's average selling price for the Year decreased slightly by 6.0%.

In addition to the demand for general paper packaging fluctuated, in order to reduce liquidity risk for better internal control, the Group tightened credit control to the customers during the Year, which effected the level of sales in short term. Therefore, the overall revenue generated from the Group's Guangdong operations decreased by 10.1% to approximately HK$760.4 million during the Year, as compared to HK$846.2 million for the year ended 31 March 2015. Despite the demand fluctuation, the customers' recognition on high quality packaging products kept rising. The Group will continue to contribute resources in technology development in order to enhance the product design and satisfy the needs of high-end clients.

Jiangxi operation

The revenue generated from the operations in Jiangxi decreased to approximately HK$50.1 million during the Year under economic fluctuation (2015: approximately HK$70.6 million). The Group continues to explore potential market in order to utilise its production capacity.

Properties investment

The revenue generated from the properties investment business slightly increased to approximately HK$4.6 million for the Year (2015: approximately HK$4.4 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Gross Profit

In accordance with the total revenue, the related cost of goods sold decreased by 9.7% to approximately HK$645.0 million for the Year, as compared to approximately HK$714.6 million for the last corresponding year. Despite the pricing pressure during the Year due to the overcapacity in the industry, with the reputation of the Group in quality and high value-added products established throughout the years, as well as the prudent internal cost control, the Group managed to maintain the gross profit level of approximately 20%. For the Year, the Group's gross profit margin was approximately 20.9% (2015: 22.4%), while the gross profit decreased by 17.7% to HK$170.1 million in line with the decrease in revenue.

Guangdong operation

Operation in Guangdong, including Shenzhen, continued to contribute most profits to the Group. The gross profit of the Guangdong operation decreased to approximately HK$159.0 million for the Year from approximately HK$191.3 million for the last corresponding year which is in line with the revenue of the Guangdong operation. Although the sales volume dropped during the Year, the Group maintained its stable gross profit margin with stringent cost control and focus on value-added products sales. The gross profit margin for the Year decreased slightly to 20.9%, as compared to 22.6% for the year ended 31 March 2015.

Jiangxi operation

The gross profit attributable to the Jiangxi operation decreased with the revenue, and its gross profit and gross margin were approximately HK$6.6 million and 13.2% for the Year, which were approximately HK$11.1 million and 15.7% for the year ended 31 March 2015.

Properties investment

The cost of rental business represented the direct outgoings of the investment properties.

The gross profits of rental business were approximately HK$4.5 million and HK$4.2 million for the Year and the year ended 31 March 2015, respectively.

Selling and Administrative Expenses

The Group's selling and distribution expenses decreased by 11.1% to HK$42.3 million for the Year due to the decline in the sales volume from approximately HK$47.6 million for the last corresponding year due to the decline in the sales volume. The salaries and allowances, as well as research and development ("**R&D**"), mainly attributed to the administrative expenses of approximately HK$114.3 million for the Year (for the year ended 31 March 2015: approximately HK$117.9 million). Notwithstanding the stringent cost control, the Group will continue to invest effective resources in its R&D in order to cope with the increasing market demand for high value-added products and services.

Other Operating Expenses

The other operating expenses for the Year were HK$15.7 million (2015: HK$6.1 million), mainly represented the impairment loss for the profit gurantee receivable of Think Speed Group Limited, a non-wholly owned subsidiary of the Company.

Finance Costs

The finance costs of the Group was approximately HK$11.9 million for the Year, representing an increase of 15.5% from approximately HK$10.3 million for the year ended 31 March 2015. Finance cost mainly occurred from bank loans for general working capital and capital expenditure.

Net Loss and Dividend

Apart from the decline in turnover, the non-recurring items recognised in other operating expense and other losses have caused the Group to record a net loss of approximately HK$70.5 million for the Year as compared to a net profit in 2015. During the Year, the Group recorded other operating expenses and other gains and losses of approximately HK$15.7 million and HK$59.3 million, respectively (loss of approximately HK$6.1 million and HK$4.7 million gain, respectively, for the year ended 31 March 2015).

The Board does not propose payment of final dividend for the Year.

Working Capital

	2016 Number of days	2015 Number of days
Trade and bills receivable	**94**	89
Trade and bills payable	**64**	68
Inventories	**42**	43
Cash conversion cycle*	**72**	64

* Trade and bills receivable turnover days + Inventories turnover days – Trade and bills payables turnover days

The trade and bills receivables as at 31 March 2016 decreased to approximately HK$198.1 million from HK$220.7 million as at 31 March 2015. After a strategic slowdown due to business integration in 2015, turnover started to pick up after the Chinese New Year in early February 2016, which led to a relatively high trade and bills receivable balance as at 31 March 2016, and the trade and bills receivables turnover days increased to 94 days as compared to 89 days in the last corresponding year.

The long established steady relationship between the Group and its suppliers allow the Group to maintain a stable trade and bills payable turnover period of around two months. The Group's trade and bills payable turnover was 64 days for the Year, which has decreased by 4 days from 68 days as in the last corresponding year. The trade and bills payables decreased to HK$99.1 million as at 31 March 2016 from HK$127.2 million as at 31 March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Working Capital (Continued)

The Group continued to have stringent control over its inventories in order to minimise its holding risk. As at 31 March 2016, the level of inventories decreased by 15.9% to HK$68.1 million from HK$81.0 million as at 31 March 2015. As a result of increased turnover approaching the current financial year end, the Group's turnover days for inventories slightly decreased to 42 days for the Year, as compared to 43 days of the last corresponding year.

Despite market fluctuated during the Year, the Group maintained its operation efficiency and liquidity risk at a sound level. The cash conversion cycle of the Group was increased by 8 days from 64 days of the year ended at 31 March 2015 to 72 days of the Year, mainly due to the increase in the trade and bills receivables turnover days.

Liquidity and Financial Resources

	As at 31 March	
	2016	2015
Current ratio	**0.93**	1.1
Gear ratio	**36.3%**	33.5%

The main sources of the working capital and funding throughout the Year are from its operating cash and bank borrowing. In terms of the Group's available financial resources as at 31 March 2016, the bank balances and cash amounted to approximately HK$121.9 million (31 March 2015: approximately HK$204.2 million), excluding pledged deposit of approximately HK$135.6 million and the unused banking facilities amounted to HK$493.9 million as at 31 March 2016. The Group's cash and cash equivalents were mostly denominated in HKD and RMB.

The current ratio (current asset divided by current liabilities) was approximately at the level of 0.93. The current assets and current liabilities as at 31 March 2016 were amounted to approximately HK$639.8 million and HK$686.5 million, respectively, comparing to the HK$787.9 million and HK$719.0 million in the last corresponding year.

As at 31 March 2016, all the bank borrowings of the Group carried floating interest rates and were secured. Upon the completion of the construction of the Fujian Plant, the total outstanding bank borrowings and other borrowings decreased from approximately HK$467.3 million as at 31 March 2015 to approximately HK$450.2 million as at 31 March 2016, of which approximately HK$346.7 million are repayable within one year and approximately HK$103.5 million are repayable from one to more than five years, whereas other loans of approximately HK$8.4 million carried a fixed interest rate of 5% and are unsecured which are repayable within one year. As at 31 March 2016, all the bank borrowings are denominated in HKD and other loans are denominated in RMB.

Foreign Exchange Risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective members of the Group. As at 31 March 2016, the Group maintained USD3 million currency forward contracts in order to reduce the exchange risk. The Group will continue to monitor the foreign currency exposure closely and will consider taking appropriate actions, including but not limited to hedging significant foreign currency exposure should the need arise.

Charge of Assets

As at 31 March 2016, the Group pledged certain assets including bank deposits, prepaid land lease payment, buildings and investment properties with aggregate net book value of approximately HK$376.1 million (as at 31 March 2015: approximately HK$415.3 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 31 March 2016, the Group's capital expenditure regarding property, plant and equipment which are contracted but not yet provided was approximately HK$15.3 million (as at 31 March 2015: approximately HK$22.4 million).

As at 31 March 2016, the Group did not have any capital expenditure authorised but not contracted for (as at 31 March 2015: Nil), nor any significant contingent liabilities (as at 31 March 2015: Nil).

Employees and Remuneration

As at 31 March 2016, the Group had a total of 1,469 employees (as at 31 March 2015: 1,697). For the Year, the Group's total expenses on the remuneration of employees including Directors' emolument amounted to approximately HK$139.3 million, as compared to HK$149.8 million for the last corresponding year.

The Group's emolument policies are formulated based on the performance of individual employees and the prevailing market condition, which will be reviewed periodically. Apart from medical insurance and MPF scheme, competitive remuneration packages, discretionary bonuses, and employee share options, which generally structured by reference to market terms, are also awarded to employees according to the assessment of individual performance.

The remuneration and bonuses of the Company's executive Directors and senior management are reviewed and approved by the remuneration committee of the Company with reference, but not limited to the individual performance, the Group's results, qualification, competence and the prevailing market condition.

Prospect

The Group is optimistic towards the business prospects in long term, especially with the change in consumption pattern and increased popularity of online shopping, which boost the demand for corrugated paper packaging with increasing logistics needs. Although the global economic recovery is expected to continue at a slow pace, we believe that the more stringent environmental protection policies and the increasing industrial standards will speed up the closures of substandard paper packaging companies, and it may provide a favorable opportunity for the Group to increase its market shares with its competitive edges in high-quality products and diversified product package.

In accordance to the market trend, demands for value-added service, including offset printing and structural designs, are believed to rise steadily, which helps to reduce logistic costs and meet the environmental standards. To cope with the demands, the Group has expanded its production capacity through the establishment of Fujian Plant which will be completed in the 2nd half of 2016 the Year. The Group will benefit from the increased production capacity in Fujian Plant and will strive for business expansion in the surrounding areas.

Meanwhile, the Group has undergone business integration in its Shenzhen and Huizhou operations with the aim to strengthen their cooperation and resource sharing, hence improve the Group's operation efficiency in the long run. With the focus in high-quality products, the Group will deploy more resources in research and development in paper package designs and techniques in order to stand out from other competitors in the market.

Through Xiamen Weihua, the Group is engaged in solar cell business as a diversification from its main businesses. With the business foundation developed in the recent years, Xiamen Weihua focuses its investment planning on further expanding the production capacities for mass production in long term. Being a rapid developing sector in energy exploitation field, the solar cell market has a board prospect. With close attention to Xiamen Weihua's business development, the Group is optimistic that the business will expand the Group's source of revenue in the future.

The Group, being one of the market leaders in the industry, will cautiously seize the golden opportunity to differentiate its main business from the competitors with its high quality products with structural designs as well as efficient production. To cope with the business growth, the Group will refine its internal control and production operations continuously in order to maintain and enhance the product quality management, operation efficiency, as well as equipment and skill upgrades so as to strive for a larger market share in the consolidation process of an amid intense industry.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the Year, the Company and its subsidiaries had not purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE

The Board is committed to maintaining appropriate corporate governance practices to enhance the accountability and transparency of the Company in order to protect its shareholders' interests and to ensure that the Company complies with the latest statutory requirements and professional standards.

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the Year.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the standards for securities transactions by Directors.

All the members of the Board have confirmed, following specific enquires by the Company, that they had complied with the required standards set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The main duties of the audit committee (the "**Audit Committee**") of the Company are to consider the relationship of external auditors, to review the financial statements of the Group and to oversee the Group's financial reporting system, risk management and internal control procedures. The Audit Committee consists of three independent non-executive Directors, namely Mr. LAW Tze Lun, who is also the Chairman of the Audit Committee, Mr. CHAU On Ta Yuen and Ms. TSUI Pui Man.

The Audit Committee, together with the management of the Company and the external auditors, have reviewed this results announcement and the audited consolidated financial statements of the Group for the Year, the accounting principles and practices adopted and discussed auditing, internal controls, risk management and financial reporting matters.

DIVIDENDS

The Board does not propose any payment of final dividend for the Year.

EVENT AFTER REPORTING PERIOD

There is no significant event occurring after the end of the Year.

PUBLIC FLOAT

As far as the Company is aware, more than 25% of the issued shares of the Company were held in public hands as of 31 March 2016.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this results announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 31 August 2016 to 5 September 2016, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on 30 August 2016.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be despatched to the Company's shareholders and published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Come Sure Group (Holdings) Limited
CHONG Kam Chau
Chairman

Hong Kong, 30 June 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHONG Kam Chau, Mr. CHONG Wa Pan and Mr. CHONG Wa Ching; and three independent non-executive Directors, namely Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun.