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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 2017

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 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Revenue	3	**845,546**	815,127
Cost of goods sold		**(660,684)**	(645,015)
Gross profit		**184,862**	170,112
Other income	4	**8,916**	9,711
Other gains and losses	5	**(3,793)**	(55,848)
Selling expenses		**(40,869)**	(42,310)
Administrative expenses		**(104,653)**	(114,349)
Other operating expenses		**(2,480)**	(15,734)
Profit (loss) from operations		**41,983**	(48,418)
Finance costs	6	**(12,275)**	(11,941)
Profit (loss) before tax		**29,708**	(60,359)
Income tax expense	7	**(13,193)**	(10,174)
Profit (loss) for the year	8	**16,515**	(70,533)
Profit (loss) for the year attributable to:			
Owners of the Company		**18,383**	(66,002)
Non-controlling interests		**(1,868)**	(4,531)
		16,515	(70,533)
Earnings (loss) per share	10		
Basic and diluted		**HK5.07 cents**	(HK18.22 cents)

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Note	**2017** **HK$'000**	2016 *HK$'000*
Profit (loss) for the year	*8*	**16,515**	(70,533)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(32,027)**	(28,296)
Other comprehensive expense for the year, net of income tax		**(32,027)**	(28,296)
Total comprehensive expense for the year		**(15,512)**	(98,829)
Total comprehensive expense attributable to:			
Owners of the Company		**(12,237)**	(93,102)
Non-controlling interests		**(3,275)**	(5,727)
		(15,512)	(98,829)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current assets			
Prepaid lease payments		**58,674**	64,041
Property, plant and equipment		**284,175**	283,125
Investment properties		**209,800**	208,180
Goodwill		**11,631**	11,631
Deposits paid for acquisition of property, plant and equipment		**3,893**	23,832
Available-for-sale investment		**–**	10,609
Club membership		**366**	366
		568,539	601,784
Current assets			
Inventories		**95,382**	68,057
Trade and bills receivables	*11*	**214,846**	198,112
Prepayments, deposits and other receivables		**19,825**	24,527
Amounts due from non-controlling shareholders		**29**	29
Prepaid lease payments		**1,434**	1,528
Tax recoverable		**1,000**	285
Financial assets designated as at fair value through profit or loss		**–**	53,301
Held for trading investments		**33,392**	36,493
Pledged bank deposits		**145,634**	135,640
Bank and cash balances		**250,414**	121,867
		761,956	639,839

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2017

	Note	**2017** **HK$'000**	2016 HK$'000
Current liabilities			
Trade and bills payables	12	**158,127**	99,126
Accruals and other payables		**93,512**	81,807
Amounts due to non-controlling shareholders		**28,883**	27,886
Short-term borrowings		**364,675**	326,648
Tax liabilities		**26,238**	22,350
Derivative financial instruments		**2,176**	13,831
Long-term borrowings		**120,819**	114,851
		794,430	686,499
Net current liabilities		**(32,474)**	(46,660)
Total assets less current liabilities		**536,065**	555,124
Non-current liabilities			
Amounts due to non-controlling shareholders		**2,848**	4,627
Long-term borrowings		**7,145**	8,671
Deferred tax liabilities		**3,818**	4,060
		13,811	17,358
NET ASSETS		**522,254**	537,766
Capital and reserves			
Share capital		**3,623**	3,623
Reserves		**519,706**	531,963
Equity attributable to owners of the Company		**523,329**	535,586
Non-controlling interests		**(1,075)**	2,180
		522,254	537,766

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the going concern basis notwithstanding the Group had net current liabilities of approximately HK$32,474,000 as at 31 March 2017.

In the opinion of the directors of the Company, the Group is maintain itself as a going concern in the next twelve months from 31 March 2017 by taking into consideration the followings:

(i) bank borrowings amounting to approximately HK$94,058,000 that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause are shown under current liabilities. 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 in which case the net current liabilities position should become net current assets of approximately HK$61,584,000;

(ii) the unutilised banking facilities readily available to the Group amounted to approximately HK$390,264,000;

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

(iv) there was a net cash generated from operating activities of approximately HK$90,134,000 for the year ended 31 March 2017 compared to a net cash generated from operating activities of approximately HK$49,042,000 for the year ended 31 March 2016, which show a substantial improvement in cash flow control; and

(v) the Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

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 2017. 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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements
HKFRS 14	Regulatory Deferral Accounts

The application of the new and amendments to 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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 7	Statement of Cash Flows: Disclosure Initiative[1]
Amendments to HKAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Investment Property[2]
HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRS 10 & HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 15	Clarifications to HKFRS 15[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 Effective for annual periods beginning on or after a date yet to be determined
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

Excepted as described below, the directors of the Company do not anticipate that the application of these new and amendments to HKFRSs will have a material impact on the amounts recognised in the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

— all recognised financial assets that are within the scope of HKFRS 9 are required 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("**FVTOCI**"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, 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.

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

New and amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

— in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Directors of the Company do not anticipate that the application of HKFRS 9 may have a material impact of the Group's financial statements. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue 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.

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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

— Step 1: Identify the contract(s) with a customer

— Step 2: Identify the performance obligations in the contract

— Step 3: Determine the transaction price

— Step 4: Allocate the transaction price to the performance obligations in the contract

— Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, The HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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

New and amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 16 Leases

HKFRS 16, "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces HKAS 17 "Leases", and related interpretations.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments approximately of HK$74,609,000. However, the Group has not yet been able to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The Group has commenced an assessment of the impact of the other new and amended HKFRSs, but is not yet in a position to state whether they would have significant impacts on its results of operations and financial position.

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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results

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

For the year ended 31 March 2017

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	**691,422**	**149,737**	**4,387**	**–**	**845,546**
Inter-segment sales	**27,301**	**13,482**	**–**	**(40,783)**	**–**
Total	**718,723**	**163,219**	**4,387**	**(40,783)**	**845,546**
Segment profit	**42,708**	**9,935**	**2,718**		**55,361**
Fair value changes of derivative financial instruments					**11,655**
Dividend income from held for trading investments					**479**
Fair value changes of held for trading investments					**265**
Expense on structured foreign currency forward contracts and structured performance swap					**(19,171)**
Income from structured deposits					**1,623**
Gain on disposal of financial assets designated as at FVTPL					**349**
Gain on disposal of available-for-sale investment					**1,616**
Loss on disposal of held for trading investments					**(1,750)**
Finance costs					**(12,275)**
Corporate income and expenses					**(8,444)**
Profit before tax					**29,708**

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

Segment revenues and results (Continued)

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)
Expense on 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)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profits represented the profit earned from each segment without allocation of 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, expense on structured foreign currency forward contracts and structured performance swap, income from structured deposits, dividend income from held for trading investments, gain on disposal of available-for-sale investment, loss on disposal of held for trading investments, loss on disposal of held-to-maturity investments, impairment loss on other receivables, finance costs 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 segments:

At 31 March 2017

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	**919,296**	**136,321**	**209,205**	**1,264,822**
Total assets for reportable segments				**1,264,822**
Unallocated items:				
Leasehold land in Hong Kong for corporate use				**1,205**
Investment properties				**1,100**
Goodwill				**11,631**
Club membership				**366**
Amounts due from non-controlling shareholders				**29**
Tax recoverable				**1,000**
Held for trading investments				**33,392**
Bank balances managed on central basis				**1,774**
Others				**15,176**
Consolidated assets				**1,330,495**
Segment liabilities	**215,078**	**28,189**	**3,611**	**246,878**
Total liabilities for reportable segments				**246,878**
Unallocated items:				
Tax liabilities				**26,238**
Deferred tax liabilities				**3,818**
Amounts due to non-controlling shareholders				**31,731**
Borrowings				**492,639**
Derivative financial instruments				**2,176**
Others				**4,761**
Consolidated liabilities				**808,241**

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

Segment assets and liabilities (Continued)

At 31 March 2016

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'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:				
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

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, club membership, amounts due from non-controlling shareholders, held for trading investments, bank balances managed on central basis, available-for-sale investments, financial assets designated as at FVTPL, tax recoverable and corporate assets; and

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

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information:

2017

	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	**22,328**	**7,992**	**–**	**21**	**30,341**
Additions to non-current assets *(note)*	**27,575**	**2,144**	**–**	**575**	**30,294**
Loss on disposal of property, plant and equipment	**630**	**2**	**–**	**–**	**632**
Allowance for doubtful debts	**–**	**3,241**	**–**	**–**	**3,241**
Write-off of inventories	**3,288**	**–**	**–**	**–**	**3,288**
Reversal of impairment of trade receivables	**(1,517)**	**–**	**–**	**–**	**(1,517)**
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	**(2,615)**	**(31)**	**–**	**(115)**	**(2,761)**
Interest expenses	**9,937**	**2,059**	**279**	**–**	**12,275**
Income tax expense	**12,247**	**1,007**	**(61)**	**–**	**13,193**

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)

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 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.

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**	
	2017 ***HK$'000***	2016 *HK$'000*	**2017** ***HK$'000***	2016 *HK$'000*
Hong Kong	**122,356**	113,659	**200,961**	272,618
Macau	**97,920**	129,544	**48**	57
PRC except Hong Kong and Macau	**625,270**	571,924	**355,899**	318,594
Consolidated total	**845,546**	815,127	**556,908**	591,269

Note: Non-current assets included prepaid lease payments, property, plant and equipment, investment properties, deposits paid for acquisition of property, plant and equipment and club membership.

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

Information about a major customer:

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

	2017	2016
	HK$'000	*HK$'000*
Customer A[1]	**91,868**	102,953

[1] Revenue from corrugated products.

4. **OTHER INCOME**

	2017	2016
	HK$'000	*HK$'000*
Dividend income from held for trading investments	**479**	253
Government subsidies *(note (a))*	**2,130**	301
Interest income	**2,761**	5,501
Income from online game and internet business	**2,587**	2,381
Sundry income	**959**	1,275
	8,916	9,711

Note:

(a) During the year, government grants 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 are directly recognised in profit or loss.

5. **OTHER GAINS AND LOSSES**

	2017	2016
	HK$'000	*HK$'000*
Loss on disposal of held-to-maturity investments	**–**	(477)
Gain on disposal of available-for-sales investments	**1,616**	–
Gain on disposal of financial assets designated as at FVTPL	**349**	–
Loss on disposal of held for trading investments	**(1,750)**	(3,950)
Fair value changes of derivative financial instruments	**11,655**	(9,251)
Fair value changes of held for trading investments	**265**	(27,495)
Fair value changes of financial assets designated as at FVTPL	**–**	127
Fair value changes of investment properties	**1,620**	3,420
Income from structured deposits	**1,623**	1,197
Expense on structured foreign currency forward contracts and structured performance swap	**(19,171)**	(19,419)
	(3,793)	(55,848)

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on:		
— bank borrowings	**11,318**	10,904
— other borrowings	**403**	428
— amount due to a non-controlling shareholder	**554**	609
	12,275	11,941

7. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**507**	1,089
(Over)/under provision in previous years	**(69)**	281
	438	1,370
PRC enterprise income tax ("**EIT**")		
Current tax	**9,754**	7,756
Under provision in previous years	**–**	87
Withholding tax	**3,001**	–
	12,755	7,843
Deferred tax	**–**	961
	13,193	10,174

Hong Kong Profits Tax is calculated at 16.5% (2016: 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.

The profits of the PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax at a rate of 5% upon distribution of such profits to foreign investors in Hong Kong.

A portion of the Group's profit for the years ended 31 March 2017 and 2016 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.

During the year, the Inland Revenue Department of Hong Kong ("**IRD**") issued estimated assessment and additional assessment for the year of assessment 2009/10 and 2010/11 to six subsidiaries of the Group amounting to HK$7,260,000. The Group had made objections to IRD on these assessments and purchase tax reserve certificates amounting to HK$1,000,000. IRD has held over the payment of profits tax of HK$4,775,000.

Having taken the advices from the Group's tax advisor, the directors of the Company are of the opinion that, as at 31 March 2017, the provision for taxation made in the consolidated financial statements is sufficient and not excessive.

8. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging (crediting) the followings:

	2017	2016
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**28,877**	27,904
Amortisation of prepaid lease payments	**1,464**	1,558
Total depreciation and amortisation	**30,341**	29,462
Cost of inventories sold *(note (a))*	**660,592**	644,862
Direct operating expense of investment properties that generate rental income	**92**	153
Total cost of goods sold	**660,684**	645,015
Auditors' remuneration	**1,000**	1,210
Loss on disposal of property, plant and equipment	**632**	518
Minimum lease payment paid under operating lease in respect of land and buildings	**19,900**	22,507
Allowance for doubtful debts (included in other operating expenses)	**3,241**	–
Reversal of impairment of trade receivables (included in other operating expenses)	**(1,517)**	–
Net foreign exchange loss	**5,039**	2,259
Impairment loss on other receivables (included in other operating expenses)	**–**	14,560
Write-off of inventories	**3,288**	–

Note:

(a) Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately HK$104,392,000 (2016: HK$113,057,000) which are included in the amounts disclosed separately above for depreciation and operating lease charges.

9. DIVIDEND

	2017	2016
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year 2016 Final dividend — Nil (2016: 2015 final dividend — HK5.5 cents) per share	**–**	19,927

No final dividend for the year ended 31 March 2017 was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS (LOSS) PER SHARE

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

Earnings (Loss)

	2017	2016
	HK$'000	*HK$'000*
Profit (loss) for the year attributable to owners of the Company	**18,383**	(66,002)

Number of shares

	2017	2016
	Number of Shares	*Number of Shares*
Number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	**362,300,000**	362,300,000

The calculation of diluted earnings (loss) per share for the year ended 31 March 2017 and 2016 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 2017 and 2016.

11. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on credit and on cash on delivery. The credit periods ranged from 15 days to 120 days after the end of the month in which the revenue is recognised and invoiced. 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:

	2017	2016
	HK$'000	*HK$'000*
Trade receivables:		
Not yet due for settlement	**191,479**	172,509
Overdue:		
1 to 30 days	**11,744**	5,897
31 to 90 days	**2,857**	7,589
91 to 365 days	**3,453**	2,813
Over 1 year	**13,774**	18,669
	223,307	207,477
Less: Allowance for doubtful debts	**(15,760)**	(14,590)
	207,547	192,887
Bills receivables	**7,299**	5,225
	214,846	198,112

11. TRADE AND BILLS RECEIVABLES (Continued)

Included in the Group's trade receivable balance are debtors (see below for ageing analysis) who 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

	2017	2016
	HK$'000	*HK$'000*
Overdue by:		
1 to 90 days	**14,601**	13,486
91 to 365 days	**1,467**	2,813
Over 1 year	**–**	4,079
Total	**16,068**	20,378

Movement in the allowance for doubtful debts

	2017	2016
	HK$'000	*HK$'000*
At 1 April	**14,590**	15,117
Allowance for doubtful debts for overdue trade receivables	**3,241**	–
Reversal of impairment of trade receivables	**(1,517)**	–
Exchange differences	**(554)**	(527)
At 31 March	**15,760**	14,590

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$15,760,000 (2016: HK$14,590,000) 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:

	2017	2016
	HK$'000	*HK$'000*
HK$	**34,731**	29,082
US$	**13,969**	25,839
RMB	**165,579**	142,076
Australian dollars	**567**	1,115
	214,846	198,112

12. TRADE AND BILLS PAYABLES

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

	2017	2016
	HK$'000	*HK$'000*
Trade payables:		
0 to 30 days	**44,418**	41,067
31 days to 90 days	**84**	1,037
Over 90 days	**429**	554
	44,931	42,658
Bills payables	**113,196**	56,468
	158,127	99,126

Payment terms granted by suppliers are mainly on credit and on cash on delivery. 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:

	2017	2016
	HK$'000	*HK$'000*
HK$	**7,255**	6,012
RMB	**150,872**	93,114
	158,127	99,126

EXTRACT FROM INDEPENDENT AUDIT REPORT PREPARED BY THE INDEPENDENT AUDITOR

The Group would like to provide an extract from the independent audit report prepared by HLM CPA Limited (the independent auditor) on the Group's annual financial statements for the year ended 31 March 2017 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's current liabilities exceed its current assets by approximately HK$32,474,000. Such condition, along with other matters 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 2017 (the "**Year**"), the People's Republic of China (the "**PRC**" or "**China**") continued its slow growth pace in the stage of economic structure transformation with new momentum. According to the National Bureau of Statistics of China, the gross domestic product (the "**GDP**") growth rate recorded 6.7% during the year of 2016 (2015: 6.9%), and has been expected to be stabilized at around 6.5% in 2017. The economic restructuring in China gradually showed results, which led consumption to become the primary driver of the PRC's economy.

As emphasized by the Premier of the State Council of the PRC, Mr. Li Keqiang, at the Fifth Session of the 12th National People's Congress in March 2017, China further deepened the supply-side structural reform as well as strengthened the environmental protection requirement during the Year, most industries thereby entered into a rapid de-stocking stage. In relation to paper and packaging industries, suppliers with outdated and inefficient capacities shrank faster than expected. Yet, China was experiencing changes in customer behavior, and pursuing higher standard goods, which enhanced the industrial standard of the retail market in the PRC. Also, online shopping consumption continued to grow significantly during the Year, which largely boosted the demand for quality corrugated paper packaging products. According to the Annual Report on China Paper and Cardboard Container Industry 2016, the aggregated production volume of corrugated paper-board in the PRC remained stable in 2016, amounting to approximately 402.76 million tons, despite numerous suppliers being phased out during last year, proven supply and demand were further rebalanced and enhanced under the emerging consumer-driven society pattern.

On the other hand, paper price hit another peak during the second half of the Year, primarily resulted from the cost climbing of raw materials and transportation, as well as fluctuations in the exchange rate of Renminbi ("**RMB**"). Correspondingly, corrugated paper price was greatly elevated, especially year-on-year ("**YoY**") by 30.0% and 58.4% in December 2016 and January 2017 respectively, according to the research report by China International Capital Corporation Limited ("**CICC**"). Nevertheless, market leaders enjoyed close relationship with suppliers had their competitive edge, With their strong capacities and quality production standards, the cost increments would be more possibly transferred to the customers, hence managing to maintain their profitabilities.

Business Review

Benefit from the Group's effective business integration last year, the Group well grasped the opportunities from the positive development of the industry, and demonstrated a turn from loss to profit during the Year. While maintaining a stable gross profit margin of approximately 21.9% during the Year (2016: approximately 20.9%), the Group attained revenue of approximately HK$845.5 million, increased by approximately 3.7% as compared to approximately HK$815.1 million for the year ended 31 March 2016. The Group recorded a net profit of approximately HK$16.5 million for the Year (2016: net loss of approximately HK$70.5 million).

Business Review (Continued)

Since the Group's new factory plant in Fujian ("**Fujian Plant**") commenced operation in August 2016, it successfully contributed revenue of approximately HK$47.5 million to the Group. Fujian Plant mainly focuses on producing corrugated paper board, which the gross profit margin of which is relatively lower as compared to printed cartons, yet it effectively enhanced the Group's production capacity, explored other product categories and regional markets, and satisfactorily expanded the revenue sources of the Group. The Group will continue to closely monitor the development of the efficiency and capacity in Fujian Plant's production lines in order to boost its contribution to the Group's revenue and profit.

During the Year, the Group was able to maintain a stable sales volume and gross profit level of corrugated paper packaging products under severe cost pressure among the industry, with the climbed up paper cost in the market during the second half of the Year. The Group had established positive reputation and sustainable loyal customer base through its quality paper products and value added service, giving the Group capacity to transfer the raised cost to the customers effectively by marking up the product price. Moreover, being one of the leading companies in the industry, the Group sustained mutually supportive relationships with the suppliers through their long term and close collaborations, allowing the Group to enjoy a stable supply despite of the fluctuation in the cost and supply of raw materials. With sufficient raw material supply as advantage, the Group grasped opportunities from the rising demand of quality printed cartons and corrugated products, and managed to secure the gross profit margin against the fluctuating paper cost during the Year.

Result of Operation

	2017		2016	
	HK$'000	*(%)*	*HK$'000*	*(%)*
Paper-based packaging				
PRC domestic sales	**625,269**	**74.3**	553,710	68.3
Domestic delivery export	**182,619**	**21.7**	224,561	27.7
Direct export	**33,271**	**4.0**	32,228	4.0
	841,159	**100.0**	810,499	100.0
Properties investment				
Rental income	**4,387**		4,628	
Total revenue	**845,546**		815,127	
Gross profit margin		**21.9**		20.9
Net profit margin		**2.0**		N/A*

* As a net loss was generated in 2016, the net profit margin calculation was irrelevant.

Revenue

Benefit from the long-anticipated supply-demand rebalancing, as well as consumers' expectation and industrial standards, the Group managed to attain a considerable sales volume during the Year with the reputation established over years. In response to the paper cost rise, the Group achieved the price adjustment by taking advantage of its competitive quality products and long-term solid relationship with customers. In addition, Fujian plant operated smoothly as expected throughout the Year and gained more attractive orders to the Group. The Group's revenue hence recorded an increase by approximately 3.7% to approximately HK$845.5 million, from approximately HK$815.1 million for the last corresponding year.

Guangdong operation

The Group continues its efforts in leveraging the advantage of high value-added business, including the structural-design printed cartons and corrugated products, in order to attract more orders from high-end customers. The corresponding revenue from printed cartons and other corrugated products maintained at approximately HK$714.9 million with a slightly increase in comparing with approximately HK$714.0 million for the last corresponding year.

The relieved overcapacity situation in paper packaging industry gave rise to the demand of corrugated products during the Year. After finishing the integration process between factories in Shenzhen and Huidong during the Year, the Group, with its enhanced efficiency, quickly resumed its Huidong operation and received more orders, hence the revenue from Guangdong operations manage to maintain stable at approximately HK$761.6 million during the Year (2016: approximately HK$760.4 million).

Jiangxi operation

The Group spared no efforts in tapping the regional potential for the operation in Jiangxi. During the Year, the revenue generated from the operations in Jiangxi was approximately HK$32.1 million (for the year ended 31 March 2016: approximately HK$50.1 million).

Fujian operation

Fujian Plant's corrugated paper board based business commenced operation in August in 2016, which contributed a revenue of approximately HK$47.5 million to the Group during the Year. The Group will continue to closely review the efficiency in its production line in order to further facilitate its capability expansion.

Revenue (Continued)

Properties investment

The revenue generated from the properties investment business slightly decreased to approximately HK$4.4 million for the Year (2016: approximately HK$4.6 million).

Gross Profit

In line with the increase in revenue, the Group's gross profit recorded approximately HK$184.9 million during the Year, being an increase of approximately 8.7% from approximately HK$170.1 million for the last corresponding year. Since the paper package industry of the PRC had hit by a massive wave of paper price rise over the second half of the Year, the Group had experienced the unavoidable cost pressure rise. On the other hand, Fujian Plant expanded the sales volume of the Group since its operation commenced during the Year whereas its corrugated paper board business was of relatively lower gross profit margin. Nonetheless, the Group tightened its internal cost control management and spare no effort to transfer the rising raw material cost to customers in resisting the burden from external cost. Meanwhile, being equipped with advanced technology, the Group sustainably provided quality and value-added products with higher profitability. Therefore, the Group's gross profit margin increased to approximately 21.9% during the Year, as compared to approximately 20.9% for the last corresponding year.

Guangdong operation

Gross profit generated from the operation in Guangdong, including Shenzhen, continued to contribute the most to the Group. Enhanced efficiency between the production lines began to show results owing to the business integration last year. Therefore, the gross profit generated from Guangdong operation increased to approximately HK$168.1 million during the Year (2016: approximately HK$159.0 million), while its gross profit margin recorded approximately 22.1% (2016: approximately 20.9%).

Jiangxi operation

The gross profit and gross margin attributable to the Jiangxi operation of the Group recorded approximately HK$4.3 million and 13.3%, respectively, for the Year, which were approximately HK$6.6 million and 13.2%, respectively, for the year ended 31 March 2016.

Fujian operation

Fujian plant mainly operates in corrugated paper board business, which generates lower gross profit level as compared to printed cartons business. Yet, during the 8-month operation since its commencement, the Group has achieved a gross profit and gross margin of approximately HK$8.2 million and 17.3%, respectively, from Fujian operation for the Year, which proves that it has great potentials for contributing profit to the Group in long team.

Gross Profit (Continued)

Properties investment

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

The gross profits of rental business were approximately HK$4.3 million and HK$4.5 million for the Year and the year ended 31 March 2016, respectively.

Selling and Administrative Expenses

During the Year, attributed to the Group's stringent cost control, the selling expenses declined to approximately HK$40.9 million (2016: approximately HK$42.3 million), and the administrative expenses reduced to approximately HK$104.7 million, representing a decrease of approximately 8.4% from approximately HK$114.3 million for the last corresponding year.

Other Operating Expenses

Other operating expenses during the Year significantly decreased to approximately HK$2.5 million. The Group's other operating expenses for the corresponding period of 2016 was approximately HK$15.7 million, mainly represented the one-off impairment loss for the profit guarantee receivable of Think Speed Group Limited, a non-wholly owned subsidiary of the Company.

Finance Costs

The finance costs of the Group maintained stable at approximately HK$12.3 million for the Year (2016: approximately HK$11.9 million), which mainly occurred from bank loans for general working capital and capital expenditure.

Net Profit and Dividend

Benefited from the stringently prudent internal cost management and enhanced capacities upon the business integration completed, the Group attained net profit for the Year of approximately HK$16.5 million (for the year ended 31 March 2016: a net loss of approximately HK$70.5 million). Correspondingly, the net profit margin for the Year was 2.0% (for the year ended 31 March 2016: a net loss of 8.7%).

The Group's net profit mainly attributed by the decreased loss from other gains and losses and other operating expense, of approximately HK$3.8 million and HK$2.5 million, respectively, representing a great improvement as compared to approximately HK$55.8 million and HK$15.7 million, respectively, for the year ended 31 March 2016.

The basic and diluted earnings per share for the Year was HK5.07 cents (2016: loss per share of HK18.22 cents). The Board does not propose any payment of final dividend for the Year.

Capital Structure

During the Year, the Group has adopted a prudent treasury policy, and the current ratio (calculated as current assets divided by current liabilities) as at 31 March 2017 was approximately at the level of 0.96 (as at 31 March 2016: approximately at the level of 0.93).

The Company's issued share capital as at 31 March 2017 was HK$3,623,000 divided into 362,300,000 shares of HK$0.01 each.

Working Capital

	2017	2016
	Number of days	*Number of days*
Trade and bills receivable	**89**	94
Trade and bills payable	**71**	64
Inventories	**45**	42
Cash conversion cycle*	**63**	72

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

The Group's revenue of last year was dragged down by its strategic business integration in-between production lines and started to return to the normal level during the Year upon completion. In line with the increase in revenue, the trade and bills receivables as at 31 March 2017 was increased to approximately HK$214.8 million from approximately HK$198.1 million as at 31 March 2016, while the trade and bills receivables turnover days shortening as at 31 March 2017 to 89 days from 94 days as at 31 March 2016.

The Group's trade and bills payable turnover was 71 days for the Year, which has increased by 7 days from 64 days of the last corresponding year, reflecting the Group's solid and steady relationship with its suppliers which of great importance. The trade and bills payables rose to approximately HK$158.1 million as at 31 March 2017 from approximately HK$99.1 million as at 31 March 2016.

Given the Group's recorded a credible sales volume during the Year, and its Fujian plant is still undergoing the initial development stage, the inventories turnover days for the Year has slightly slowed down. As at 31 March 2017, the Group's turnover days for inventories gently increased to 45 days for the Year, as compared to 42 days of the last corresponding year. The level of inventories as at 31 March 2017 climbed by 40.1% to approximately HK$95.4 million from approximately HK$68.1 million as at 31 March 2016. The increase was mainly due to the commencement of operation of Fujian Plant to maintain certain stock level for production and increase in raw materials cost during December 2016, January 2017 and February 2017, both of which contributed part of the increment of stock value as of 31 March 2017.

Working Capital (Continued)

The cash conversion cycle of the Group was decreased from 72 days for the year ended at 31 March 2016 to 63 days for the Year, mainly due to the increase in the trade and bills payables turnover days, proving that the operation efficiency was further enhanced and the liquidity risk was correspondingly reduced.

Liquidity and Financial Resources

	As at 31 March	
	2017	2016
Current ratio	**0.96**	0.93
Gear ratio	**37.0%**	36.3%

During the Year, operation cash and bank borrowing remained to be the principle sources of working capital of the Group. In terms of the Group's available financial resources as at 31 March 2017, the bank balances and cash amounted to approximately HK$250.4 million (as at 31 March 2016: approximately HK$121.9 million), excluding pledged deposit of approximately HK$145.6 million and the unused banking facilities amounted to approximately HK$390.3 million as at 31 March 2017. The Group's cash and cash equivalents were mostly denominated in HKD and RMB.

The current assets and current liabilities of the Group as at 31 March 2017 amounted to approximately HK$762.0 million and approximately HK$794.4 million, respectively, as compared to approximately HK$639.8 million and HK$686.5 million of the last corresponding year. The current ratio (current assets divided by current liabilities) as at 31 March 2017 recorded approximately 0.96 (as at 31 March 2016: approximately 0.93).

As at 31 March 2017, all the bank borrowings were denominated in HKD, and all carried floating interest rates and were secured. As at 31 March 2017, the total outstanding bank borrowings increased to approximately HK$484.7 million from approximately HK$441.8 million as at 31 March 2016, of which approximately HK$383.6 million were repayable within one year and approximately HK$101.1 million were repayable from one to more than five years. Other loans of approximately HK$7.9 million (as at 31 March 2016: approximately HK$8.4 million) carried a fixed interest rate of 5% and were unsecured which were repayable within one year. As at 31 March 2017, all the bank borrowings are denominated in HKD and other loans are denominated in RMB.

In terms of managing liquidity risk, the Group managed to maintain sufficient cash balance and undrawn committed banking facilities to ensure a balanced continuity of funding and flexibility for sustainable business development as well as potential investment opportunities. The gearing ratio (total borrowings divided by total assets) as at 31 March 2017 maintained stable at approximately 37.0% (as at 31 March 2016: approximately 36.3%).

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 2017, the Group maintained USD3 million currency forward contracts to manage 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 2017, the Group pledged certain assets including bank deposits, prepaid land lease payment, buildings and investment properties with aggregate net book value of approximately HK$375.1 million (as at 31 March 2016: approximately HK$376.1 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 31 March 2017, the Group's capital expenditure regarding property, plant and equipment which are contracted but not yet provided was approximately HK$2.7 million (as at 31 March 2016: approximately HK$15.3 million). As at 31 March 2017, the Group did not have any capital expenditure authorised but not contracted for (as at 31 March 2016: Nil).

The Inland Revenue Department of Hong Kong (the "**IRD**") issued estimated assessment and additional assessment for the year of assessment 2009/10 and 2010/11 to six subsidiaries of the Group amounting to HK$7,260,000. In the opinion of the Directors, there is no specific basis for adjusting the subsidiaries' tax position for the years of assessment 2009/10 and 2010/2011 specified in the estimated assessment and additional assessment. Therefore, the Directors are of the view that no tax provision for Hong Kong Profits Tax is required at this stage. The subsidiaries will discuss with the IRD and will continue to monitor the progress and to defend the subsidiaries' tax position vigorously. Therefore, no tax provision was provided thereon at 31 March 2017 (31 March 2016: Nil). Please also refer to note 7 to the financial statements on page 17 of this announcement for further details.

Employees and Remuneration

As at 31 March 2017, the Group had a total of 1,445 employees (as at 31 March 2016: 1,469). The Group's emolument policies are determined with reference to the performance of individual employees and the prevailing market condition, which will be reviewed periodically. For the Year, the Group's total expenses on the remuneration of employees including Directors' emolument amounted to approximately HK$123.0 million, as compared to approximately HK$139.3 million for the last corresponding year.

Employees and Remuneration (Continued)

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 executive directors and the senior management of the Company are reviewed and approved by the remuneration committee of the Company (the "**Remuneration Committee**") with reference, but not limited to the individual performance, the Group's results, qualification, competence and the prevailing market condition.

Disposal of Investment

During the Year, the Group has entered into a sales and purchase agreement (the "**S&P Agreement**") to dispose the investment of Xiamen Weihua Solar Limited (廈門惟華光能有限公司) ("**Xiamen Weihua**"). Pursuant to the S&P Agreement dated 31 July 2016, the Group agreed to transfer 20% shareholdings of Xiamen Weihua to an independent third party for a consideration of approximately RMB10,244,000. The consideration is payable in accordance with the status of transfer. As of 31 March 2017, the Group recorded a receipt of consideration amounting to approximately RMB8,195,000 and a receivable of approximately RMB2,049,000.

Prospect

According to the market research from Smithers Pira's Report on 2017 Global Corrugated Paper Packaging Industry, demand for corrugated board packaging is forecast to increase steadily over the next five years at the global level. Smithers Pira's Report also predicted that the consumption volume of corrugated paper board is expected to reach 130 million tons by 2017, at an annual growth rate of 4.4%. With the market estimates an industry growth, the Group is optimistic towards the business prospect. In line with the rise in potential demand, the Group will continue its efforts in capacity expansion and production efficiency. The Group will closely monitor the development of Fujian Plant, with expectation in its production volume to reach value of RMB15 million by FY2017/18, which would further cater for the growing demand, strengthen the Group's brand awareness as well as expand the regional market.

China has been contributed most to production volume of corrugated paper board these years. Driven by the retail growth, with robust consumers' demand for goods of higher standard, the PRC government keeps up in pushing the environmental agenda forward, as well as emphasizing the importance of supply-side measures, which industrial concentration is hence expected to be further enhanced. Given the favorable market conditions, the Group will spare no efforts in maximizing the resources for Research and Development ("**R&D**"). Supported by the upgraded production technologies and facilities, the Group will sustainably provide quality products and value added services, including structural designs and offset printing. The Group is confident to attract more attention from high-end market with business advantages continued to be exploited, and will grasp the golden opportunities to expand its market share and revenue source.

Prospect (Continued)

The Group has been managing to strengthen its leadership position in the corrugated paper packaging industry of the PRC, not only base on its quality production operation, but also attributed to its strong financial status. Having adopted prudent internal cost management and investment planning, the Group is determined to enhance its profit level in long run. With close cooperation with suppliers and insight into market opportunities, the Group will constantly review its marketing tactics for capturing a larger market share, in order to further stand out among the industry competitors as one of the market leaders in the PRC.

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 the 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 2017.

CHANGE OF AUDITOR

On 6 March 2017, SHINEWING (HK) CPA Limited ("**SHINEWING**") has resigned as the auditor of the Company. The Board has appointed HLM CPA Limited as the new auditor of the Company to fill the vacancy immediately following the resignation of SHINEWING. Save as disclosed above, there were no other change in auditor of the Company during the past three years.

SCOPE OF WORK OF HLM CPA LIMITED

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, HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLM 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 HLM CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 11 September 2017 (the "**AGM**"), the register of members of the Company will be closed from 6 September 2017 to 11 September 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, 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 5 September 2017.

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 2017

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.