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 2010

GROUP RESULTS

The board of directors (the "Board") 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 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Turnover	2	**478,436**	614,780
Cost of goods sold		**(393,290)**	(499,094)
Gross profit		**85,146**	115,686
Other income		**1,434**	2,678
Selling expenses		**(19,063)**	(22,381)
Administrative expenses		**(54,561)**	(49,654)
Other operating expenses		**(166)**	(6,014)
Profit from operations		**12,790**	40,315
Finance costs		**(896)**	(4,166)
Gain on disposal of subsidiaries		**15,989**	–
Profit before tax		**27,883**	36,149
Income tax expense	3	**(2,974)**	(3,628)
Profit for the year attributable to the owners of the Company	4	**24,909**	32,521
Earnings per share	5		
Basic		**8.81 cents**	15.02 cents
Diluted		**N/A**	N/A

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	**24,909**	32,521
Other comprehensive income after tax:		
Exchange differences on translating foreign operations	**6,166**	6,825
Exchange differences reclassified to profit or loss on disposal of subsidiaries	**(1,231)**	–
Other comprehensive income for the year, net of tax	**4,935**	6,825
Total comprehensive income attributable to the owners of the Company	**29,844**	39,346

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Prepaid land lease payments		**26,592**	31,018
Property, plant and equipment		**108,414**	115,113
Investment properties		**420**	420
Club membership		**366**	366
		135,792	146,917
Current assets			
Inventories		**75,014**	50,881
Trade receivables	*7*	**91,973**	88,955
Prepayments, deposits and other receivables		**10,516**	5,334
Prepaid land lease payments		**569**	220
Current tax assets		**1,462**	932
Pledged bank deposits		**25,467**	39,610
Bank and cash balances		**163,857**	112,461
		368,858	298,393
Current liabilities			
Trade payables	*8*	**27,649**	25,154
Accruals and other payables		**30,727**	24,680
Short-term bank borrowings		**26,975**	37,075
Current tax liabilities		**262**	351
Current portion of long term borrowings		**2,543**	5,185
		88,156	92,445
Net current assets		**280,702**	205,948
Total assets less current liabilities		**416,494**	352,865
Non-current liabilities			
Deferred tax liabilities		**1,789**	2,285
Long term borrowings		**708**	3,251
		2,497	5,536
NET ASSETS		**413,997**	347,329
Capital and reserves			
Share capital		**3,220**	2,800
Reserves		**410,777**	344,529
TOTAL EQUITY		**413,997**	347,329

NOTES

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2009. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

a. Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. HKAS 1 (Revised) has been applied retrospectively.

b. Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving as the starting point for the identification of such segments. HKFRS 8 results in a redesignation of the Group's reportable segments, but has had no impact on the reported results or financial position of the Group. HKFRS 8 has been applied retrospectively.

The segment accounting policies under HKFRS 8 are stated in note 2 to the results announcement.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. TURNOVER AND SEGMENTAL INFORMATION

Turnover of the Group represents net invoiced value of goods sold for the year.

Segmental information

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

The Group has two reportable segments as follows:

Corrugated products	–	manufacture and sale of corrugated board and corrugated paper-based packing products; and
Offset printed corrugated products	–	manufacture and sale of offset printed corrugated products.

The accounting policies of the operating segments are the same as those adopted by the Group in preparing the financial statements of the Group. Segment profits or losses do not include gain on disposal of subsidiaries and corporate income and expenses. Segment assets do not include prepaid land lease payments for corporate use, investment properties, club membership, bank balance managed on central basis, current tax assets and corporate assets. Segment liabilities do not include current tax liabilities, deferred tax liabilities and corporate liabilities.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Information and reconciliations of segment revenue, profit or loss, assets and liabilities:

For the year ended 31 March 2010

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Segment revenue				
External sales	**412,047**	**66,389**	**–**	**478,436**
Inter-segment sales	**52,085**	**17,019**	**(69,104)**	**–**
Total	**464,132**	**83,408**	**(69,104)**	**478,436**
Segment results	**19,303**	**327**		**19,630**
Interest income				**97**
Gain on disposal of subsidiaries				**15,989**
Corporate expenses				**(7,833)**
Profit before tax				**27,883**

Information and reconciliations of segment revenue, profit or loss, assets and liabilities: *(continued)*

For the year ended 31 March 2010

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other information:				
Interest income	**713**	**5**	**97**	**815**
Interest expenses	**704**	**192**	**–**	**896**
Depreciation and amortisation	**17,199**	**7,656**	**40**	**24,895**
Additions to segment non-current assets	**6,096**	**26,828**	**–**	**32,924**
At 31 March 2010				
Segment assets	**308,135**	**127,192**		**435,327**
Total assets for reportable segments				**435,327**
Unallocated items:				
Prepaid land lease payments for corporate use				**1,486**
Investment properties				**420**
Club membership				**366**
Current tax assets				**1,462**
Bank balance managed on central basis				**65,399**
Others				**190**
Consolidated total assets				**504,650**
Segment liabilities	**58,883**	**28,895**		**87,778**
Total liabilities for reportable segments				**87,778**
Unallocated items:				
Current tax liabilities				**262**
Deferred tax liabilities				**1,789**
Others				**824**
Consolidated total liabilities				**90,653**

Information and reconciliations of segment revenue, profit or loss, assets and liabilities: *(continued)*

For the year ended 31 March 2009

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue				
External sales	511,221	103,559	–	614,780
Inter-segment sales	60,730	4,452	(65,182)	–
Total	571,951	108,011	(65,182)	614,780
Segment results	37,850	5,024		42,874
Interest income				10
Listing expenses				(3,261)
Corporate expenses				(3,474)
Profit before tax				36,149

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other information:				
Interest income	1,691	10	10	1,711
Interest expenses	3,641	525	–	4,166
Depreciation and amortisation	17,494	7,732	40	25,266
Additions to segment non-current assets	32,314	738	–	33,052

Information and reconciliations of segment revenue, profit or loss, assets and liabilities: *(continued)*

At 31 March 2009

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Total *HK$'000*
Segment assets	285,846	76,149	361,995
Total assets for reportable segments			361,995
Unallocated items:			
Prepaid land lease payments for corporate use			1,526
Investment properties			420
Club membership			366
Current tax assets			932
Bank balance managed on central basis			79,684
Others			387
Consolidated total assets			445,310
Segment liabilities	62,467	32,165	94,632
Total liabilities for reportable segments			94,632
Unallocated items:			
Current tax liabilities			351
Deferred tax liabilities			2,285
Others			713
Consolidated total liabilities			97,981

Geographical information:

	Revenue		**Non-current assets**	
	2010 ***HK$'000***	2009 *HK$'000*	**2010** ***HK$'000***	2009 *HK$'000*
Hong Kong	**25,444**	21,216	**3,373**	4,021
People's Republic of China (the "PRC") except Hong Kong	**452,992**	593,564	**132,419**	142,896
Consolidated total	**478,436**	614,780	**135,792**	146,917

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers contributing over 10% of the turnover is as follows:

	2010 ***HK$'000***	2009 *HK$'000*
Corrugated products segment		
Customer a	**40,214**	–
Offset printed corrugated products segment		
Customer a	**8,745**	–

3. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**788**	194
Under/(over)-provision in previous years	**372**	(118)
	1,160	76
PRC enterprise income tax		
Current tax	**1,985**	3,552
Under-provision in previous years	**325**	–
	2,310	3,552
Deferred tax	**(496)**	–
	2,974	3,628

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions.

The mode of manufacturing operations of Wah Ming International Limited ("Wah Ming") is within the scope of the Departmental Interpretation Practice Note No. 21 issued by the Inland Revenue Department of Hong Kong, that Wah Ming conducted its manufacturing operations by entering into processing arrangements with the processing factory in the PRC and hence 50% of the adjusted profits were treated as offshore and not taxable in Hong Kong.

A portion of the Group's profits for the year 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, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

On 16 March 2007, the new PRC enterprise income tax law passed by the Tenth National People's Congress introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law became effective on 1 January 2008. Pursuant to "Notice on Corporate Income Tax Transitional Arrangement" issued by the PRC State Council on 26 December 2007, enterprises entitled to lower tax rates under the old law have been given a five-year grace period before they are required to pay the statutory rate. According to Shenzhen tax bureau final approval, the applicable enterprise income tax rate for Come Sure Packing Products (Shenzhen) Company Limited would be 20% in calendar year 2009, 22% in 2010, 24% in 2011 and 25% from 2012 onwards.

In 2009, the Inland Revenue Department of Hong Kong (the "IRD") issued several letters to a director of the Company, Mr. Chong Kam Chau, the Company and some of its subsidiaries requesting for certain financial information for the years of assessment from 2002/03 to 2006/07. The Group has already submitted several replies and provided part of the financial information to the IRD. The Group is still preparing and collecting information for the queries of the IRD and waiting for further comment from the IRD. On 15 March 2009, the IRD issued estimated assessments for the year of assessment 2002/03 to two of the subsidiaries of the Group which amounted to HK$640,000. On 15 March 2010, the IRD issued estimated assessments for the year of assessment 2003/04 to three of the subsidiaries of the Group which amounted to HK$2,800,000. The Group has made objections to the IRD on both estimated assessments on 9 April 2009 and 23 March 2010 respectively. In the opinion of the directors, as at 31 March 2010, the provision for taxation made in the financial statements of the Group is sufficient and not excessive.

4. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2010	2009
	HK$'000	*HK$'000*
Auditor's remuneration	**770**	700
Cost of inventories sold	**393,290**	499,094
Depreciation	**23,961**	25,046
Operating lease charges in respect of land and buildings	**15,467**	12,202
Net loss on disposals of property, plant and equipment	**105**	143
Reversal of allowance for inventories (included in cost of inventories sold)	**(20)**	(226)
Allowance for bad and doubtful debts	**–**	2,283
Bad debts written off	**51**	341
Reversal of allowance for bad and doubtful debts	**(580)**	(636)
Net foreign exchange loss	**3,461**	3,674
Staff costs		
Directors' emoluments	**3,639**	3,502
Other staff salaries, bonus and allowances	**39,239**	32,740
Retirement benefits scheme contributions (excluding directors)	**3,175**	3,283
	46,053	39,525

Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$56,313,000 (2009: HK$51,934,000) which are included in the amounts disclosed separately above.

5. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 March 2010 is based on the profit attributable to owners of the Company of approximately HK$24,909,000 and the weighted average number of 282,589,041 ordinary shares in issue during the year.

The calculation of basic earnings per share for the year ended 31 March 2009 is based on the profit attributable to owners of the Company of approximately HK$32,521,000 and the weighted average number of 216,520,548 ordinary shares, after taking into amount the 210,000,000 ordinary shares of the Company in issue as if the shares were issued throughout the year ended 31 March 2009, and the issuance of ordinary shares in connection with the placing and public offer during the year ended 31 March 2009.

Weighted average number of ordinary shares

	Number of shares	
	2010	2009
Issued and issuable ordinary shares at beginning of year	**280,000,000**	210,000,000
Effect of shares issued under placing and public offer	**2,589,041**	6,520,548
Weighted average number of ordinary shares at end of year	**282,589,041**	216,520,548

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 March 2010.

6. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Proposed final dividend of HK2.5 cents (2009: HK4.6 cents) per ordinary share	**8,050**	12,880

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and is not recognised as liabilities at 31 March 2010.

7. TRADE 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 end of the month in which the relevant sales occurred. The ageing analysis of trade receivables, based on the due date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Undue	**75,704**	66,167
Overdue:		
1 to 30 days	**6,231**	9,176
31 to 90 days	**8,646**	10,500
91 to 365 days	**1,813**	4,985
Over 1 year	**3,544**	2,807
	95,938	93,635
Less: Allowance for bad and doubtful debts	**(3,965)**	(4,680)
	91,973	88,955

8. TRADE PAYABLES

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 end of the month in which the relevant purchase occurred.

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

	2010	2009
	HK$'000	*HK$'000*
0 to 30 days	**27,022**	24,689
31 days to 90 days	**306**	188
Over 90 days	**321**	277
	27,649	25,154

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The financial year ended 2010 was challenging. The world was recovering from the global financial crisis. Overseas demand in consumer products had not fully picked up. As a result, the demand of paper-based packaging products was still lower than the pre-crisis level. In addition, the increasing labour cost, appreciation of Renminbi, and the sharp increase of raw paper materials cost in the second half of the financial year altogether created a difficult operating environment for paper-based packaging manufacturers in the PRC.

At the time of economic uncertainties, the Group had completed a placing of new shares to strengthen the financial position. The Group also adopted a set of prudent business strategies, including stringent inventories control and credit control policy, as well as a conservative financial management and low gearing policy, which had minimised the liquidity risk of the Group effectively, and retained sufficient capital for future development. The Group's current ratio and gearing ratio were improved to approximately 4.2 and 6.0% respectively as at 31 March 2010 (2009: approximately 3.2 and 10.2%).

Result of Operation

	2009/10		2008/09	
	HKD'000	*(%)*	*HKD'000*	*(%)*
Domestic delivery export sales	**234,804**	**49.1**	371,655	60.5
PRC domestic sales	**218,188**	**45.6**	221,890	36.1
Direct export sales	**25,444**	**5.3**	21,235	3.4
Total sales	**478,436**	**100**	614,780	100
Gross profit ratio		**17.8**		18.8
Net profit ratio		**5.2**		5.3

Revenue

The revenue decreased by 22.2% from approximately HK$614.8 million in last year to approximately HK$478.4 million for the year under review. It was mainly due to the downturn of economy of the United States and Europe after the financial crisis, which led to a substantial drop in export demand of paper-based packaging products.

To cope with the decrease in export demand, the Group strove to develop the PRC domestic market. During the year under review, the PRC domestic sales volume increased by approximately 13.1% as compared to last year, and the PRC domestic sales accounted for approximately 45.6% of the Group's total revenue (2009: approximately 36.1%). However, the decline in average selling price adversely affected the revenue from PRC domestic sales, which resulted in a slightly decrease by approximately 1.7% from approximately HK$221.9 million for the year ended 31 March 2009 to approximately HK$218.2 million for the year ended 31 March 2010.

The direct export to Hong Kong market increased from approximately HK$21.2 million in 2009 to approximately HK$25.4 million, representing approximately 5.3% of the Group's total revenue in 2010 (2009: approximately 3.4%). The Group understands the potential of Hong Kong market, and continues to consider it as one of the core markets of the Group. It is expected that the Hong Kong market will continue to develop and contribute a commendable income stream with impressive profit margin.

Gross Profit

During the year under review, the Group secured an increasing portion of Renminbi domestic sales to mitigate the effect of appreciation of Renminbi in PRC factory production overhead.

At the same time, the Group continued to manage the raw materials cost and inventories level by signing bi-monthly and quarterly contracts with major PRC domestic suppliers and expanding the sourcing networks from different countries in order to ensure a timely and stable supply of raw materials at a competitive price.

Despite the efforts above, the selling price of some products could not fully match with the sharp increase of raw paper materials cost during the last few months before the year ended 31 March 2010 and therefore, the gross profit ratio slightly dropped from approximately 18.8% as at 31 March 2009 to approximately 17.8% as at 31 March 2010.

Selling and Distribution Expenses and Administrative Expenses

The selling and distribution expenses decreased by approximately 14.7% from approximately HK$22.4 million in 2009 to approximately HK$19.1 million in 2010. The decrease was mainly caused by the decrease of delivery expenses, which were charged against the invoice amounts.

The administrative expenses increased by approximately 9.9% from approximately HK$49.7 million in 2009 to approximately HK$54.6 million in 2010. It was mainly represented by the increase of salaries and allowances, and operating lease payments for the Group's factory premises.

Other Operating Expenses

The other operating expenses decreased significantly from approximately HK$6.0 million in 2009 to approximately HK$166,000 in 2010. The decrease was mainly due to the non-recurring listing expenses incurred in last year.

Finance Costs

The finance costs significantly decreased by approximately 78.6% from approximately HK$4.2 million in 2009 to approximately HK$0.9 million in 2010. The decrease was mainly contributed by the Group's maintaining of sufficient funds and the decrease in average bank borrowings during the year under review.

Net Profit and Dividends

The net profit attributable to the owners of the Company decreased by approximately 23.4% from approximately HK$32.5 million in 2009 to approximately HK$24.9 million in 2010, and the net profit ratio slightly decreased from approximately 5.3% as at 31 March 2009 to approximately 5.2% as at 31 March 2010. To keep up the Group dividend policy, the Board recommended a payment of final dividend of HK2.5 cents per ordinary share.

Working Capital

	Turnover days	
	2009/10	2008/09
Trade receivables	**69**	75
Trade payables	**25**	34
Inventories	**58**	47

The trade receivables were approximately HK$92.0 million as at 31 March 2010, slightly increased by approximately 3.4% as compared to approximately HK$89.0 million as at 31 March 2009. The trade receivables turnover days were 69 days for the year ended 31 March 2010 as compared with 75 days in 2009. Such decrease was mainly contributed by the credit control measure adopted by the Group. During the year under review, the Group continued to monitor the creditworthiness and past collection history of its customers in order to reduce the credit risk.

The trade payables were approximately HK$27.6 million as at 31 March 2010, increased by approximately 9.5% as compared to approximately HK$25.2 million as at 31 March 2009. The trade payables turnover days were 25 days for the year ended 31 March 2010 as compared with 34 days in 2009. Such decrease was mainly due to the raw materials purchase amount dropped in line with the turnover amount during the year under review.

The raw paper materials cost significantly stepped up during the last few months just before the year end date. Therefore the inventories increased by approximately 47.3% from approximately HK$50.9 million as at 31 March 2009 to approximately HK$75.0 million as at 31 March 2010, and thus the inventories turnover days increased by 11 days to 58 days during the year under review (2009: 47 days).

Liquidity and Financial Resources

	2009/10	2008/09
Current ratio (current assets divided by current liabilities)	**4.2**	3.2
Gearing ratio (total bank borrowings divided by total assets)	**6.0%**	10.2%

The principal sources of working capital of the Group for the year under review were the cash flow from operating activities, bank borrowings, and the proceeds from placing of new shares.

During the year under review, the net cash inflow from operating activities decreased by approximately 78.4% from approximately HK$118.2 million in 2009 to approximately HK$25.5 million in 2010. It was mainly caused by the increase in inventories and trade receivables. The bank and cash balances were approximately HK$163.9 million (2009: approximately HK$112.5 million), excluding the pledged deposits of approximately HK$25.5 million, and the unused banking facilities was approximately HK$428.5 million.

As at 31 March 2010, the total shareholders' fund increased from approximately HK$347.3 million as at 31 March 2009 to approximately HK$414.0 million. The current assets increased from approximately HK$298.4 million as at 31 March 2009 to approximately HK$368.9 million as at 31 March 2010. The current liabilities decreased from approximately HK$92.4 million as at 31 March 2009 to approximately HK$88.2 million as at 31 March 2010, and the current ratio improved from approximately 3.2 as at 31 March 2009 to approximately 4.2 as at 31 March 2010.

The total outstanding bank borrowings decreased from approximately HK$45.5 million as at 31 March 2009 to approximately HK$30.2 million as at 31 March 2010. The gearing ratio decreased from approximately 10.2% to approximately 6.0%, and the Group's bank and cash balances were sufficient to repay all the bank borrowings.

The Group maintains a sound liquidity position and possesses sufficient cash and banking facilities to meet the working capital requirements and finance future projects.

Foreign Exchange Risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities were denominated in currencies other than the functional currency of respective members of the Group. To mitigate the exchange risk between HK$ and RMB, the Group increased the RMB sales to match with the Group's PRC subsidiaries operation expenses. At current stage, the Group does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will continue to monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Charge of Assets

As at 31 March 2010, the Group pledged certain assets including bank deposits, prepaid land lease payments and buildings with aggregate net book value of approximately HK$27.0 million (2009: approximately HK$41.1 million) to secure banking facilities granted to the Group.

Capital Commitments and Contingent Liabilities

As at 31 March 2010, the Group's capital expenditure contracted but not provided for regarding to property, plant and equipment was approximately HK$7.4 million (2009: approximately HK$0.4 million).

As at 31 March 2010, the Group had no significant contingent liabilities (2009: Nil).

Significant Investment Held and Material Acquisition and Disposal

There was no significant investment held by the Group as at 31 March 2010.

During the year under review, the Group disposed of the entire interest in Bright Leader Holdings Limited (an indirect wholly-owned subsidiary of the Company) to a company wholly owned by a director of the Company at a total consideration of HK$15,333,054. For details of the transaction, please refer to the announcement of the Company dated 19 August 2009 and the circular of the Company dated 9 September 2009.

Subsequent to the end of the reporting period, on 20 April 2010, the Group entered into an agreement with independent third parties to acquire 56.05% equity interest in Fully Chance Holdings Limited ("Fully Chance") at a total consideration of HK$18,904,634. The consideration was satisfied by cash payment of HK$9,439,034 and the remaining balance was satisfied by the issue of 6,800,000 ordinary shares of the Company. Fully Chance is the legal and beneficial owner of 91% equity interest in Rising Sun Paper (Jiangxi) Co., Limited ("Rising Sun"), a sino-foreign joint venture enterprise established in the PRC. Rising Sun is principally engaged in the manufacture and processing of paper boards, paper boxes and high-class packaging paper. For details of the transaction, please refer to the announcement of the Company dated 20 April 2010.

Employees and Remuneration

As at 31 March 2010, the Group and the processing factory employed approximately 600 employees (2009: approximately 880). Total staff cost included directors' emolument amounted to approximately HK$46.1 million (2009: approximately HK$39.5 million). Salaries are reviewed annually based on merit, working performance and the prevailing market condition. Discretionary bonuses were paid on annual basis with reference to individual working performance and the operating results of the Group.

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

In order to ensure the staff can obtain up-to-date job related knowledge and enhance the quality of work, the Group provided on-the-job training and engaged external professional parties to provide training to the staff.

Prospects

With reference to the latest data from The International Monetary Fund (IMF), the PRC's GDP growth forecast in 2010 has been revised from 10.0% to 10.5%, and 9.6% for year 2011, which rank the top among all economies around the world. In light of the continuing strong economic growth in the PRC, the domestic demand for consumer products will continue to increase and thus the demand for paper-based packaging products. Therefore focusing on the PRC market continues to be employed as our Group's core business strategy.

With a well-developed business network and good reputation, the existing production plants in Shenzhen continue to serve the customers in Shenzhen and Dongguan areas. The construction work of the new production plant at Huidong is on schedule and is expected to commence trial operation at the end of 2010, which will help the Group further capture the market in Huizhou and Chaoshan areas.

Having secured the foothold in Guangdong Province, the Group's next step is to broaden its sales network outside Guangdong. The newly acquired production plant in Jiangxi Province expanded the Group's sales network in Jiangxi and the cities nearby. In addition, the Group will keep exploring investment opportunities in different potential markets and aim to build up its strengths in market diversification.

Product development is essential in current market. The Group will maintain adequate investment in the latest technologies, research and development, and environmental protection to meet the latest market demand and further secure its market position as a one-stop green packaging partner.

The impact of financial crisis is diminishing. The directors of the Company believed that the difficult time of the Group has passed. With the Group's expanding sales network in PRC and clear market positioning, the Group has confidence in domestic market contribution and the results of future years.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the year under review, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities save as disclosed below.

On 4 March 2010 and 15 March 2010, the Company completed two tranches of placing of 42,000,000 new ordinary shares in total at HK$1.20 per share to certain investors and received net proceeds of approximately HK$49.2 million for general working capital and for financing future investment opportunities. For details of the placing, please refer to the announcements of the Company dated 2 February 2010, 4 March 2010 and 15 March 2010, respectively.

CORPORATE GOVERNANCE

The Board is committed to maintaining an 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 most of the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices (the "**Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the deviation from the code provisions A.2.1 of the Code as described below.

Mr. CHONG Kam Chau is the Chairman and Mr. CHONG Wa Pan is the Managing Director of the Company. The Chairman is responsible for providing leadership for the Board in strategic planning and overall development of the Group and ensures the Board runs effectively, and the Managing Director is responsible for the overall management of the Group and the implementation of the corporate goals and objectives resolved by the Board.

The Board considers that the responsibilities of Chairman and Managing Director are clearly divided, so no written terms of division of responsibilities is necessary. This constitutes a deviation from code provision A.2.1 of the Code which stipulates that the division responsibilities between chairman and the chief executive officer should be clearly established and set out in writing.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of Listing Rules as the standard for securities transactions by Directors (including executive directors and independent non-executive directors).

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

AUDIT COMMITTEE

The Company has established an Audit Committee on 5 February 2009 in compliance with the Rule 3.21 of the Listing Rules and with written terms of reference in compliance with the code provisions of the Code. The main duties of the Audit Committee 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 and internal control procedures. The Audit Committee consists of three independent non-executive directors, namely Mr. LAW Tze Lun, the Chairman of the Audit Committee, Mr. CHAU On Tat Yuen and Ms. TSUI Pui Man.

The Audit Committee, together with the management and the external auditor, has reviewed this results announcement and the audited consolidated financial statements of the Group for the year ended 31 March 2010, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

DIVIDENDS

The Board proposed the payment of a final dividend of HK2.5 cents per share for the year ended 31 March 2010, amounting to approximately HK$8.1 million in total, to the shareholders whose names appear on the Register of Members of the Company on 2 September 2010. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, it is expected that the final dividend will be paid on or around 21 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 September 2010 to 6 September 2010, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend, all transfer documents accomplished by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4.00 p.m. on 2 September 2010.

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 2010.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2010 have been agreed by the Group's auditor, RSM Nelson Wheeler, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2010. The work performed by RSM Nelson Wheeler 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 RSM Nelson Wheeler on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at 10th Floor, United Centre, 95 Queensway, Hong Kong on Monday, 6 September 2010 at 10:30 a.m.. Notice of annual general meeting will be published on the Company's website at www.comesure.com and the Stock Exchange's website at www.hkexnews.hk and despatched to the shareholders of the Company on or before 30 July 2010.

PUBLICATION OF ANNUAL REPORT

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

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

Hong Kong, 23 July 2010

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Chong Kam Chau, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam; and three independent non-executive directors, namely Mr. Chau On Ta Yuen, Ms. Tsui Pui Man and Mr. Law Tze Lun.