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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

The board (the "Board") of directors (the "Directors") of Come Sure Group (Holdings) Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2010

	Note	Six months ended 30 September 2010 HK$'000 (unaudited)	2009 HK$'000 (unaudited)
Turnover	3	**336,535**	243,910
Cost of goods sold		**(273,506)**	(201,520)
Gross profit		**63,029**	42,390
Other income		**1,509**	459
Selling expenses		**(13,108)**	(9,519)
Administrative expenses		**(35,507)**	(22,098)
Other operating expenses		**(336)**	(39)
Profit from operations		**15,587**	11,193
Finance costs		**(861)**	(585)
Share-base payment		**(5,805)**	–
Gain on bargain purchase	11	**4,361**	–
Gain on disposal of subsidiaries		**–**	15,989
Profit before tax		**13,282**	26,597
Income tax expense	4	**(4,016)**	(2,135)
Profit for the period	5	**9,266**	24,462
Attributable to :			
Owners of the Company		**11,883**	24,462
Non-controlling interests		**(2,617)**	–
		9,266	24,462
Earnings per share	6		
Basic		**3.63 cents**	8.74 cents
Diluted		**N/A**	N/A
Dividends	7	**–**	–

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	Six months ended 30 September 2010 *HK$'000* (unaudited)	2009 *HK$'000* (unaudited)
Profit for the period	**9,266**	24,462
Other comprehensive income after tax:		
Exchange differences on translating foreign operations	**7,970**	331
Exchange differences reclassified to profit or loss on disposal of subsidiaries	**–**	(1,231)
Other comprehensive income for the period, net of tax	**7,970**	(900)
Total comprehensive income for the period	**17,236**	23,562
Attributable to :		
Owners of the Company	**19,588**	23,562
Non-controlling interests	**(2,352)**	–
	17,236	23,562

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2010

	Note	30 September 2010 HK$'000 (unaudited)	31 March 2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	8	**197,404**	135,575
Investment properties		**420**	420
Club membership		**366**	366
		198,190	136,361
Current assets			
Inventories		**70,810**	75,014
Trade and bills receivables	9	**168,197**	91,973
Prepayments, deposits and other receivables		**33,009**	10,516
Current tax assets		**1,511**	1,462
Pledged bank deposits		**9,346**	25,467
Bank and cash balances		**180,319**	163,857
		463,192	368,289
Current liabilities			
Trade and bills payables	10	**54,825**	27,649
Accruals and other payables		**55,464**	30,727
Dividend payables		**28**	–
Amount due to non-controlling interests of a subsidiary		**1,196**	–
Short-term borrowings		**65,294**	26,975
Current tax liabilities		**3,798**	262
Current portion of long-term borrowings		**1,770**	2,543
		182,375	88,156
Net current assets		**280,817**	280,133

	Note	30 September 2010 HK$'000 (unaudited)	31 March 2010 HK$'000 (audited)
Total assets less current liabilities		**479,007**	416,494
Non-current liabilities			
Deferred tax liabilities		**6,169**	1,789
Amount due to non-controlling interests of a subsidiary		**10,765**	–
Long-term borrowings		**4,534**	708
		21,468	2,497
NET ASSETS		**457,539**	413,997
Capital and reserves			
Share capital		**3,288**	3,220
Reserves		**435,770**	410,777
Equity attributable to owners of the Company		**439,058**	413,997
Non-controlling interests		**18,481**	–
TOTAL EQUITY		**457,539**	413,997

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2010 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2010 except as stated below.

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2010. 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 period and prior years except as stated below.

a. Business combinations

HKFRS 3 (Revised) "Business Combinations" continues to require acquisition method to be applied to business combinations with some significant changes:

- Contingent consideration is recognised at its acquisition-date fair value and forms part of the cost of acquisition. The previous HKFRS 3 requires that a contingent consideration be recognised if it is probable and can be measured reliably.

- In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate goodwill. The previous HKFRS 3 does not have a requirement for such fair value measurement.

- There is a choice to measure initially the non-controlling interests in a subsidiary either at their acquisition-date fair value or the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date. The previous HKFRS 3 only allows the latter choice.

- If a business combination is accounted for using provisional amounts, the measurement period that the provisional amounts can be adjusted retrospectively is limited to one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The previous HKFRS 3 does not have a time limit for adjustments in relation to contingent considerations and deferred tax assets. Subsequent adjustments to contingent considerations and deferred tax assets will adjust goodwill.

- Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. The previous HKFRS 3 requires that acquisition-related costs form part of the cost of a business combination.

b. Classification of Land Leases

Amendments to HKAS 17 "Leases" deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

The Group reclassifies a land lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group e.g. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the land.

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	30 September 2010	31 March 2010
	HK$'000	*HK$'000*
Increase in Property, plant and equipment	**42,949**	27,161
Decrease in Prepaid land lease payments	**(42,949)**	(27,161)

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.

3. TURNOVER AND SEGMENTAL INFORMATION

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

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 2010 annual financial statements of the Group. Segment profits or losses do not include gain on disposal of subsidiaries, gain on bargain purchase and corporate income and expenses. Segment assets do not include property, plant and equipment for corporate use, investment properties, club membership, bank balance managed on central basis, current tax assets and corporate assets.

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 and assets:

For the six months ended 30 September 2010

	Corrugated products *HK$'000* (unaudited)	Offset printing corrugated products *HK$'000* (unaudited)	Elimination *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Segment revenue				
External sales	271,527	65,008	–	336,535
Inter-segment sales	42,224	18,366	(60,590)	–
Total	313,751	83,374	(60,590)	336,535
Segment results	19,364	2,942		22,306
Interest income				2
Gain on bargain purchase				4,361
Corporate expenses				(13,387)
Profit before tax				13,282

	Corrugated products *HK$'000* (unaudited)	Offset printed corrugated products *HK$'000* (unaudited)	Others *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
At 30 September 2010				
Segment assets	480,597	129,597	51,188	661,382

For the six months ended 30 September 2009

	Corrugated products *HK$'000* (unaudited)	Offset printing corrugated products *HK$'000* (unaudited)	Elimination *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Segment revenue				
External sales	212,395	31,515	–	243,910
Inter-segment sales	29,573	9,143	(38,716)	–
Total	241,968	40,658	(38,716)	243,910
Segment results	7,607	3,140		10,747
Interest income				446
Interest expenses				(585)
Gain on disposal of subsidiaries				15,989
Profit before tax				26,597

	Corrugated products *HK$'000* (audited)	Offset printed corrugated products *HK$'000* (audited)	Others *HK$'000* (audited)	Total *HK$'000* (audited)
At 31 March 2010				
Segment assets	308,135	127,192	69,323	504,650

4. INCOME TAX EXPENSE

	Six months ended 30 September **2010** ***HK$'000*** **(unaudited)**	2009 *HK$'000* (unaudited)
Hong Kong Profits Tax		
Under-provision in previous years	**–**	442
PRC enterprise income tax ("EIT")		
Current tax	**4,016**	1,693
	4,016	2,135

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (2009: Nil). Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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 30 September 2010, the provision for taxation made in the financial statements of the Group is sufficient and not excessive.

5. PROFIT FOR THE PERIOD

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

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**300**	446
Auditors' remuneration	**239**	424
Cost of inventories sold	**273,506**	201,520
Depreciation	**10,712**	12,880
Operating lease charges in respect of land and buildings	**7,535**	5,522
Net loss on disposals of property, plant and equipment	**304**	–
Gain on disposal of subsidiaries	**–**	(15,989)
Gain on bargain purchase	**(4,361)**	–
Allowance for inventories (included in cost of inventories sold)	**–**	712
Allowance for bad and doubtful debts	**32**	–
Bad debts written off	**–**	39
Net foreign exchange loss/(gain)	**1,638**	(2,046)
Staff costs		
Directors' emoluments	**2,737**	1,550
Other staff salaries, bonus and allowances	**32,659**	17,947
Retirement benefits scheme contributions (excluding directors)	**2,662**	910
	38,058	20,407

Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$32,896,000 (2009: HK$27,864,000) which are included in the amounts disclosed separately above.

6. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 September 2010 is based on the profit attributable to owners of the Company of approximately HK$11,883,000 and the weighted average number of 326,979,235 ordinary shares in issue during the six months ended 30 September 2010.

The calculation of basic earnings per share for the six months ended 30 September 2009 is based on the profit attributable to owners of the Company of approximately HK$24,462,000 and the weighted average number of 280,000,000 ordinary shares in issue during the six months ended 30 September 2009.

Weighted average number of ordinary shares

	Number of shares for the six months ended 30 September	
	2010	2009
Issued and issuable ordinary shares at beginning of period	**322,000,000**	280,000,000
Effect of shares issued under allotment	**4,979,235**	–
Weighted average number of ordinary shares at end of period	**326,979,235**	280,000,000

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the six months ended 30 September 2010 and 30 September 2009.

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2010, the Group acquired property, plant and equipment of approximately HK$$21,031,000.

9. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 120 days after end of the month in which the relevant sales occurred. The ageing analysis of trade receivables, based on the due date, is as follows:

	30 September 2010 *HK$'000* **(unaudited)**	31 March 2010 *HK$'000* (audited)
Trade receivables:		
Undue	**116,298**	75,704
Overdue:		
1 to 30 days	**29,166**	6,231
31 to 90 days	**19,035**	8,646
91 to 365 days	**3,958**	1,813
Over 1 year	**4,682**	3,544
	173,139	95,938
Less: Allowance for bad and doubtful debts	**(5,491)**	(3,965)
Trade receivables, net	**167,648**	91,973
Bills receivables	**549**	–
	168,197	91,973

10. TRADE AND BILLS 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 aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 September 2010 *HK$'000* **(unaudited)**	31 March 2010 *HK$'000* (audited)
Trade payables:		
0 to 30 days	**45,568**	27,022
31 to 90 days	**533**	306
Over 90 days	**364**	321
	46,465	27,649
Bills payables	**8,360**	–
	54,825	27,649

11. ACQUISITION OF SUBSIDIARIES

On 28 April 2010 ("date of acquisition"), the Group had acquired 56.05% equity interest in Fully Chance Holdings Limited ("Fully Chance") at a total consideration of approximately HK$17,327,000. The consideration was satisfied by cash payment of approximately HK$9,439,000 and the remaining balance was satisfied by the issue of 6,800,000 ordinary shares of the Company. As at the date of acquistion, the fair value of the consideration shares was approximately HK$7,888,000. 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 manufacturing and processing of paper board, paper boxes and high-class packaging paper in the PRC.

The fair value of the identifiable asset and liabilities of Fully Chance and its subsidiary at the date of acquisition is as follows:

	HK$'000
Property, plant and equipment	54,059
Inventories	11,604
Trade and bills receivables	7,479
Prepayments, deposits and other receivables	5,757
Bank and cash balances	4,867
Trade and bills payables	(7,840)
Accruals and other payables	(24,380)
Long-term borrowings	(4,733)
Deferred tax liabilities	(4,292)
Non-controlling interests	(20,833)
Net asset acquired	21,688
Gain on bargain purchase	(4,361)
Total consideration	17,327
Satisfied by:	
Cash	9,439
6,800,000 ordinary shares of the Company	7,888
Total consideration	17,327
Net cash outflow arising on acquisition:	
Cash consideration paid	9,439
Cash and cash equivalents acquired	(4,867)
	4,572

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the global economy kept on recovering, the PRC economy continued its strong growth and the raw paper materials cost remained relatively stable after the rapid increase during the first quarter of 2010 which had collectively provided a better business environment for paper-based packaging manufacturers in the PRC. During the period under review, the Group seized the business opportunities which resulted in the PRC domestic sales, direct export sales to Hong Kong and the domestic delivery export of the Group increased by approximately 40.0%, 43.3% and 35.5% respectively as compared to the same period last year.

The Group continued to employ the PRC domestic market development as its core strategy. The existing production plants in Shenzhen and the new production plant in Huidong equipped with sufficient production capacity aimed at serving the customers in Guangdong Province. As the Group strives to extend its PRC domestic sales network outside Guangdong Province, during the period under review, the Group entered into the Jiangxi market by acquiring effectively 51.0% equity interests of Rising Sun Paper (Jiangxi) Co., Limited ("Rising Sun"), a production plant in Jiangxi Province, and signed a joint venture agreement for formation of a joint venture company in Fujian Province enabling the Group to enter into the Fujian market.

The Group also increased its effort to market to renowned potential customers and to develop high value added products and services. During the period, the Group successfully secured a considerable number of new customers, which included international furniture manufacturer, coffee chain shop and some other well-known brands in various industries, by providing tailor designed packaging products.

During the period, the Group signed a master purchase agreement with Nine Dragons Paper (Holdings) Limited ("Nine Dragons"), a company incorporated in Bermuda with limited liability, and its subsidiaries (collectively, the "Nine Dragons Group"), the largest raw paper materials suppliers in PRC, in ensuring the stable raw paper materials supply for the Group's future development.

Internally, the Group strived to improve the operation efficiency by carrying out study on the production flows and effectively implemented the improvement measures. The materials costs were also effectively controlled through prudent inventories control and procurement management. In addition, the stringent credit control and prudent financial management were still employed by the Group during the period, which brought about the low bad debts rate and helped maintain a healthy financial position for the Group's development.

	30 September 2010		30 September 2009	
	HK$'000	***(%)***	*HK$'000*	*(%)*
PRC domestic sales	**159,773**	**47.5**	114,129	46.8
Domestic delivery export	**159,339**	**47.3**	117,622	48.2
Direct export sales to Hong Kong	**17,423**	**5.2**	12,159	5.0
Total Sales	**336,535**		243,910	
Gross profit ratio		**18.7**		17.4
Net profit ratio*		**3.2**		3.5

* *before the gain on disposal of subsidiaries, gain on bargain purchase and unvested share-based payment*

Revenue

During the period under review, the sales revenue of the Group amounted to approximately HK$336.5 million, increased by approximately 38.0% as compared with approximately HK$243.9 million for the last corresponding period.

Shenzhen operation

The sales revenue generated from the operations in Shenzhen amounted to approximately HK$300.0 million, increased by approximately 23.0% as compared with the same period in 2009. In view of comparatively lower margin of corrugated paper board, the Group concentrated its effort in developing high value added products during the period under review. As a result, the sales revenue generated from printed cartons and other paper-wares lifted by approximately 40.7% to approximately HK$220.4 million in 2010 (2009: approximately HK$156.6 million) with the average selling price and sales volume surged by approximately 20.7% and 16.7% respectively.

Jiangxi operation

During the period, the operation in Jiangxi contributed approximately HK$36.5 million sales revenue to the Group, as the production capacity of Rising Sun had not been fully utilized during the period, the Group believes that the operation in Jiangxi would contribute a higher sales revenue to the Group by capturing the large potential markets nearby the Jiangxi area.

Gross Profits

The Group's gross profits for the six months period ended 30 September 2010 increased by approximately 48.6% from approximately HK$42.4 million in 2009 to approximately HK$63.0 million in 2010, and the Group's gross profit margin increased from approximately 17.4% to 18.7%.

Shenzhen operation

The gross profit contributed by the operations in Shenzhen for the six months period ended 30 September 2010 amounted to approximately HK$58.2 million, and the gross profit margin was approximately 19.4%, representing an approximately 2% increase in gross profit margin as compared with the last corresponding period, which revealed the Group's achievement in high value added products development and its ability to transfer the raw materials cost to its customers after the sharp increase in raw paper price during the first quarter of 2010.

Jiangxi operation

The gross profit and gross profit margin of the operation in Jiangxi from the date of acquisition of Rising Sun to 30 September 2010 were approximately HK$4.8 million and approximately 13.1% respectively. As more than 70% of the sales revenue was generated from corrugated board during the period under review, the gross profit margin was relatively lower than that of the operations in Shenzhen. To be in line with the Group's strategy, Rising Sun will increase its effort in developing high value added products market and target potential customers with renowned brands in its surrounding areas. The Group believes that the operation in Jiangxi will contribute an increasing income stream with a better margin in the near future.

Selling and Distribution Expenses and Administrative Expenses

The Group's selling and distribution expenses for the six months period ended 30 September 2010 increased by approximately 37.9% from approximately HK$9.5 million in 2009 to approximately HK$13.1 million in 2010. The increase was in line with the increase of turnover amount during the period, and approximately HK$2.3 million was attributed to the operation in Jiangxi.

The administrative expenses for the six months period ended 30 September 2010 increased by approximately 60.6% to approximately HK$35.5 million in 2010 as compared to approximately HK$22.1 million in 2009. The increase was mainly due to the increase in salaries and allowances, social security contribution, the operating lease payment for the factories premises and the legal and professional fees, and approximately HK$5.2 million was attributed to the operation in Jiangxi.

Other Operating Expenses

The other operating expenses for the six months period ended 30 September 2010 represented a loss of approximately HK$304,000 on disposal of property, plant and equipment, and impairment of approximately HK$32,000 on doubtful debts arouse from the operation in Jiangxi. For the same period in 2009, the operating expenses represented the impairment of approximately HK$39,000 on doubtful debts.

Finance Costs

For the six months period ended 30 September 2010, the finance cost increased to approximately HK$861,000 (2009: approximately HK$585,000), which was mainly attributed to the interest on other loans paid for the operation in Jiangxi.

Taxation

Income tax expense increased from approximately HK$2.1 million for the six months period ended 30 September 2009 to approximately HK$4.0 million for the six months period ended 30 September 2010. Such increase was mainly due to the provision for the enterprise income tax of approximately HK$2.3 million made for Rising Sun during the period.

Working Capital

	Turnover days	
	30 September 2010	**31 March 2010**
Trade receivables	71	69
Trade payables	28	25
Inventories	49	58
Cash conversion cycle*	92	103

* *Trade receivable turnover days + Inventories turnover days – Trade payable turnover days*

The trade and bills receivables were approximately HK$168.2 million as at 30 September 2010, increased by approximately 82.8% as compared to approximately HK$92.0 million as at 31 March 2010. Such increase was mainly caused by the peak season effect started from June each year, which led to the increase of sales and trade receivables during the period end. There were trade and bills receivables of approximately HK$11.4 million attributed by the operation in Jiangxi as at 30 September 2010.

The trade receivables turnover day was 71 days for the six months period ended 30 September 2010 and it remained stable as compared to 69 days for the year ended 31 March 2010. The Group continued to manage the credit risks by closely monitoring the credit worthiness and past collection history of its customers.

The trade and bills payables were approximately HK$54.8 million as at 30 September 2010, increased by approximately 98.6% as compared to approximately HK$27.6 million as at 31 March 2010. The increase in trade and bills payables was mainly caused by the Group‘s increase of the purchases of raw materials to meet the increasing sales orders during the peak season period.

The trade payables turnover day increased from 25 days for the year ended 31 March 2010 to 28 days for the six months period ended 30 September 2010.

After a significant increase in the first quarter of 2010, the raw paper materials cost remained relatively stable during the period under review. The inventories of the Group as at 30 September 2010 slightly decreased by approximately 5.6% as compared to approximately HK$75.0 million as at 31 March 2010, which carried a total worth of approximately HK$70.8 million as at 30 September 2010. The inventories turnover day decreased by 9 days from 58 days for the year ended 31 March 2010 to 49 days for the six months period ended 30 September 2010.

To summarize, the cash conversion cycle of the Group improved from 103 days for the year ended 31 March 2010 to 92 days for the six months period ended 30 September 2010, which represented the Group’s improved operation effectiveness and the reduction in the liquidity risk during the period under review.

Liquidity and Financial Resources

	30 September 2010	31 March 2010
Current ratio	2.5	4.2
Gearing ratio	12.5%	6.0%

As at 30 September 2010, the Group's total cash and cash equivalents amounted to approximately HK$180.3 million, excluding approximately HK$9.3 million pledged bank deposits (At 31 March 2010: approximately HK$163.9 million).

The current assets held by the Group increased from approximately HK$368.3 million as at 31 March 2010 to approximately HK$463.2 million as at 30 September 2010. The current liabilities increased from approximately HK$88.2 million as at 31 March 2010 to approximately HK$182.3 million as at 30 September 2010. The current ratio decreased from approximately 4.2 as at 31 March 2010 to approximately 2.5 as at 30 September 2010.

The total outstanding borrowings increased from approximately HK$30.2 million as at 31 March 2010 to approximately HK$82.4 million as at 30 September 2010. The increase of borrowings was mainly attributed by the increase of raw materials purchase import loans to meet peak season demand during the period end and approximately HK$15.3 million long-term loans raised for the operation in Jiangxi for operating capital. The gearing ratio increased from approximately 6.0% as at 31 March 2010 to approximately 12.5% as at 30 September 2010. The Group maintained sufficient bank and cash balances to repay all its borrowings as at 30 September 2010.

The Group still maintains a sound liquidity position and possesses with sufficient cash and banking facilities to meet the working capital requirements for existing operations and the new production plants, and also to finance potential investment opportunities.

Foreign Exchange Risk

The Group is exposed to foreign currency risk as some if its business transactions, assets and liabilities were dominated in currencies other than the functional currency of the respective members of the Group. During the period under review, the Group effectively generated sufficient RMB sales income to match the RMB operating expenses of the Company's PRC subsidiaries. Under this consideration, the Group did not enter into any hedging arrange during the period under review. However, the Group will continue to monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the needs arise.

Charge of Assets

As at 30 September 2010, the Group pledged certain assets including bank deposits, land and buildings with aggregate net book value of approximately HK$39.4 million (At 31 March 2010: approximately HK$27 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 30 September 2010, the Group's capital expenditure contracted but not provided for regarding to property, plant and equipment was approximately HK$45.0 million (At 31 March 2010: approximately HK$7.4 million).

As at 30 September 2010, the Group had no significant contingent liabilities (At 31 March 2010: nil).

Significant Investment Held and Material Acquisition and Disposal

Speedy Concept Development Limited ("Speedy Concept"), a wholly-owned subsidiary of the Company, Rising Sun (HK) Industrial Holdings Company Limited (the "Rising Sun (HK)"), a limited company incorporated in Hong Kong and 10 shareholders of Rising Sun (HK) in aggregate holding 75% of the entire issued share capital of Rising Sun (HK) had entered into the sale and purchase agreement (the "Sale and Purchase Agreement") on 20 April 2010, pursuant to which Speedy Concept had conditionally agreed to acquire and Rising Sun (HK) had conditionally agreed to sell 56.05% of the entire issued share capital of Fully Chance Holdings Limited ("Fully Chance") at a total consideration of HK$18,904,634. The consideration is satisfied by cash payment of HK$9,439,034 and the remaining balance is satisfied by the issue of 6,800,000 ordinary shares of the Company (the "Consideration Shares"). Fully Chance is the legal and beneficial owner of 91% equity interest in Rising Sun, a sino-foreign joint venture enterprise established in the PRC. Rising Sun is principally engaged in manufacturing and processing of paper board, paper boxes and high-class packaging paper. For details of the acquisition, please refer to the announcement of the Company dated 20 April 2010. The Consideration Shares had been issued on 20 May 2010.

Formation of a Joint Venture Company

On 29 July 2010, Mass Winner Holdings Limited ("Mass Winner"), a wholly-owned subsidiary of the Company, had entered into the joint venture agreement ("Joint Venture Agreement") with Crown Gold Limited ("Crown Gold"), a company wholly-owned by Mr. Zhang Cheng Fei ("Mr. Zhang"), who is an executive director and the controlling shareholder of Nine Dragons. Pursuant to the Joint Venture Agreement, the parties thereto had conditionally agreed to form a joint venture company (the "JV Company"), in which Mass Winner and Crown Gold would hold 60% and 40% respectively of the total issued share capital of the JV Company. It had been further agreed between the parties that the JV Company would set up a wholly-foreign owned enterprise in the PRC to be a wholly-owned subsidiary of the JV Company with initial registered capital of HK$50 million, which would be principally engaged in sales and manufacturing of corrugated paper-board and paper based packaging products. The total contribution commitment by the Group is HK$30 million which is in proportion to its shareholding in the JV Company. For details of the aforesaid transactions, please refer to the announcement of the Company dated 29 July 2010.

Employee and Remuneration

As at 30 September 2010, the Group, including the Jiangxi production plant and the processing factory, employed approximately 1,350 employees (At 31 March 2010: approximately: 600). The Group offered competitive remuneration package to its employees. Salaries are reviewed annually based on merit, working performance and the prevailing market condition. The Group may also grant share options and discretionary bonuses to eligible employees based on individual and the Group's performance.

Prospect

The global economy continues to recover from the financial crisis, however, the European governments' debt problems and fiscal policy of the United State are still undermining the global economy recovery in the future. On the other hand, the PRC's economy growth remains strong among the other economies around the world, and it is expected that the domestic demand of paper-based packaging products will continue to increase under such strong economic environment and the promotion of environmental policies by the PRC government.

During the last few years, the Group effectively developed the PRC domestic market and its ratio of domestic sales over the total turnover increased from approximately 30% in 2008 to approximately 50% during the period under review. In the future, the Group will continue to focus on the PRC domestic market development by targeting local renowned brands and extending its sales network outside Guangdong Province. After the acquisition of Rising Sun during the period under review, the Group had started to map out the establishment of the Fujian production plant, and it is expected to commence operation in 2012/2013.

As a one-stop green packaging partner, the Group will strive to provide value added services to its customers, which include structure design, logistic management, and will maintain sufficient investment in latest environmental development to ensure the packaging products supplied to its customers can meet the latest environmental standards. The Group believes that such value added services can distinguish itself from other packaging suppliers, which helps secure the sales orders from existing valuable customers and attract potential customers. The Group believes that it can deliver maximum shareholders' return through the implementation of such focused strategy.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the period 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 20 May 2010, the Company issued 6,800,000 ordinary shares as part of the consideration to acquire the 56.05% equity interest in Fully Chance.

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") during the six months period ended 30 September 2010, 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 to run 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 are 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 to the Listing Rules as the standard for securities transactions by the 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 six months period ended 30 September 2010.

AUDIT COMMITTEE

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 Ta Yuen and Ms. TSUI Pui Man.

The Audit Committee, together with the management had reviewed this results announcement and the unaudited consolidated financial statements of the Group for the six months period ended 30 September 2010, the accounting principles and practices adopted by the Group and had reviewed the internal controls and financial reporting matters.

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 at 30 September 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the Company's website at www.comesure.com and the Stock Exchange's website at www.hkex.com.hk, and the interim report of the Company containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published in the Company's and the Stock Exchange's websites in due course.

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

Hong Kong, 22 November 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.

* *For identification purposes only*