COME SURE

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 2011

GROUP RESULTS

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 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2011

		Six months ended 30 September	
	Note	**2011** *HK$'000* **(unaudited)**	2010 *HK$'000* (unaudited)
Turnover	3	**400,907**	336,535
Cost of goods sold		**(329,461)**	(273,506)
Gross profit		**71,446**	63,029
Other income		**834**	1,509
Selling expenses		**(18,530)**	(13,108)
Administrative expenses		**(40,424)**	(35,507)
Other operating expenses		**(53)**	(336)
Increase in fair value of forward contracts		**576**	—
Decrease in fair value of equity linked notes		**(927)**	—
Decrease in fair value of held for trading investment		**(5,288)**	—
Share-based payment		**(301)**	(5,805)
Profit from operations		**7,333**	9,782
Finance costs	4	**(1,358)**	(861)
Gain on bargain purchase		**—**	4,361
Gain on disposal of a subsidiary		**9**	—
Profit before tax		**5,984**	13,282
Income tax expense	5	**(1,253)**	(4,016)
Profit for the period	6	**4,731**	9,266
Attributable to:			
Owners of the Company		**6,623**	11,883
Non-controlling interests		**(1,892)**	(2,617)
		4,731	9,266
Earnings per share	7		
Basic and diluted		**2.01 cents**	3.63 cents
Dividends	8	**—**	—

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Six months ended 30 September 2011	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**4,731**	9,266
Other comprehensive income/(expense) after tax:		
Exchange differences on translating foreign operations	**14,322**	7,970
Net loss from cash flow hedge	**(1,163)**	—
Other comprehensive income for the period, net of tax	**13,159**	7,970
Total comprehensive income for the period	**17,890**	17,236
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	**19,183**	19,588
Non-controlling interests	**(1,293)**	(2,352)
	17,890	17,236

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Note	**30 September 2011 HK$'000 (unaudited)**	31 March 2011 HK$'000 (audited)
Non-current assets			
Prepaid lease payments		**41,385**	40,506
Property, plant and equipment	*9*	**234,896**	174,949
Deposits paid for prepaid lease payments		**19,638**	19,012
Deposits paid for acquisition of property, plant and equipment		**17,951**	17,373
Investment properties		**420**	420
Available for sales financial assets		**5,000**	—
Club membership		**366**	366
		319,656	252,626
Current assets			
Inventories		**83,094**	74,401
Trade and bills receivables	*10*	**214,040**	163,281
Prepayments, deposits and other receivables		**26,459**	20,041
Amount due from non-controlling interest		**3**	—
Prepaid lease payments		**910**	881
Tax prepaid		**6,935**	3,427
Held for trading investments		**3,720**	7,877
Foreign currency forward contracts		**576**	—
Equity linked notes		**33,480**	—
Pledged bank deposits		**33,403**	15,711
Bank and cash balances		**118,871**	138,853
		521,491	424,472
Current liabilities			
Trade and bills payables	*11*	**97,751**	68,732
Accruals and other payables		**87,608**	51,787
Dividend payables		**150**	—
Interest rate swap		**1,163**	—
Amounts due to non-controlling interests		**7,216**	7,177
Short-term bank borrowings		**112,008**	49,238
Current tax liabilities		**320**	359
Current portion of long-term borrowings		**35,942**	11,274
		342,158	188,567
Net current assets		**179,333**	235,905
Total assets less current liabilities		**498,989**	488,531

	30 September 2011	31 March 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Non-current liabilities		
Amounts due to non-controlling interests	**11,238**	10,880
Long-term borrowings	**—**	1,979
Deferred tax liabilities	**5,722**	5,581
	16,960	18,440
NET ASSETS	**482,029**	470,091
Capital and reserves		
Share capital	**3,288**	3,288
Reserves	**461,135**	447,907
Equity attributable to owners of the Company	**464,423**	451,195
Non-controlling interests	**17,606**	18,896
TOTAL EQUITY	**482,029**	470,091

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 2011 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 2011 except as stated below.

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

Adoption of new and revised HKFRSs effective in the current period

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC)-Int 14 (Amendment)	Prepayment of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised HKFRSs has had no material effect on the amounts in these condensed financial statements and disclosures set out in these condensed financial statements.

New and revised HKFRSs that are not yet effective

The Group has not early applied the new or revised standards, amendments and interpretation that have been issued but are not yet effective.

The following new or revised standards, amendments and interpretation have been issued after the date the consolidated financial statements for the year ended 31 March 2011 were authorised for issuance and are not yet effective:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 19 (Revised)	Employee Benefits[1]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 July 2012

The directors of the Company anticipate that the application of the other new or revised standards will have no material impact on the results and the financial position of the Group.

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 Executive 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.

Segment revenues and results

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

For the six months ended 30 September 2011

	Corrugated products *HK$'000* **(unaudited)**	**Offset printing corrugated products** *HK$'000* **(unaudited)**	**Elimination** *HK$'000* **(unaudited)**	**Total** *HK$'000* **(unaudited)**
Segment revenue				
External sales	**329,347**	**71,560**	**—**	**400,907**
Inter-segment sales	**30,824**	**19,688**	**(50,512)**	**—**
Total	**360,171**	**91,248**	**(50,512)**	**400,907**
Segment results	**8,936**	**2,882**		**11,818**
Interest income				**524**
Gain on disposal of a subsidiary				**9**
Corporate expenses				**(6,367)**
Profit before tax				**5,984**

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

The accounting policies of the reportable segments are the same as those adopted by the Group in preparing the 2011 financial statements of the Group. Segment profits or losses represented the profit earned/loss incurred by each segment without allocation of gain on disposal of subsidiary, gain on bargain purchase and corporate income and expenses. This is the measure reported to the chief operation decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets

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

	Corrugated products ***HK$'000*** **(unaudited)**	**Offset printed corrugated products** ***HK$'000*** **(unaudited)**	**Total** ***HK$'000*** **(unaudited)**
At 30 September 2011			
Segment assets	**707,619**	**118,820**	**826,439**

	Corrugated products *HK$'000* (audited)	Offset printed corrugated products *HK$'000* (audited)	Total *HK$'000* (audited)
At 31 March 2011			
Segment assets	551,495	100,537	652,032

All assets are allocated to reportable segments other than leasehold land in Hong Kong for corporate use, investment properties, club membership, bank balance managed on central basis, tax prepaid and corporate assets.

4. FINANCE COSTS

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
bank borrowings		
— wholly repayable within five years	**850**	435
other loans		
— wholly repayable within five years	**201**	426
amount due to a non-controlling interest		
— not wholly repayable within five years	**307**	—
	1,358	861

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC enterprise income tax ("EIT")		
Current tax	**1,253**	4,016
	1,253	4,016

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (2010: 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 a 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 is 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.

Under the Enterprise Income Tax Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK$58,380,000 (31 March 2011: approximately HK$56,518,000) as the Group is able to control the timing of the reversal of the temporary differences and it is possible that the temporary differences will not reverse in the foreseeable future.

The Inland Revenue Department of Hong Kong (the "IRD") issued several letters to a director of the Company, Mr. Chong Kam Chau ("Mr. Chong"), the Company and some of its subsidiaries requesting for certain 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 waiting for further comment from the IRD. On 16 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.

On 8 February 2011, the IRD issued estimated assessments for the year of assessment of 2004/05 to five of the subsidiaries of the Group which amounted to HK$6,300,000. The Group has made objections to the IRD on those estimated assessments on 9 April 2009, 23 March 2010 and 7 March 2011 respectively. In the opinion of the directors, as at 30 September 2011, the provision for taxation made in the consolidated financial statements is sufficient and not excessive. During the six months ended 30 September 2011, the Group has purchased tax reserve certificates amounting to HK$3,500,000.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting) the followings:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation for property plant and equipment	**13,995**	10,288
Amortisation of prepaid lease payments	**449**	424
Total depreciation and amortisation	**14,444**	10,712
Auditors' remuneration	**—**	239
Cost of inventories sold	**329,461**	273,506
Operating lease charges in respect of land and buildings	**8,457**	7,535
Net (gain)/loss on disposals of property, plant and equipment	**(12)**	304
Gain on disposal of a subsidiary	**(9)**	—
Allowance for bad and doubtful debts	**—**	32
Net foreign exchange loss	**1,495**	1,638
Staff costs		
Directors' emoluments	**2,747**	2,737
Other staff salaries, bonus and allowances	**38,211**	32,659
Retirement benefits scheme contributions (excluding directors)	**2,056**	2,662
	43,014	38,058

Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$42,118,000 (2010: HK$32,896,000) which are included in the amounts disclosed separately above.

7. EARNINGS PER SHARE

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

	Earnings for the six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company	**6,623**	11,883

	Number of shares for the six months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Issued and issuable ordinary shares at beginning of period	**328,800,000**	322,000,000
Effect of shares issued under allotment	**—**	4,979,235
Weighted average number of ordinary shares at end of period	**328,800,000**	326,979,235

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme. As the adjusted exercise price of the share options granted by the Company was higher than the relevant average market price of the Company's shares for the six months ended 30 September 2011 and 2010, those outstanding share options granted, which amounted to 26,700,000 and 27,000,000 shares as at 30 September 2011 and 2010 respectively, had no dilutive effect on earnings per share for the six months ended 30 September 2011 and 2010.

8. DIVIDEND

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividend recognised as distribution during the period		
2011 Final dividend — HK1.9 cents (2010: HK2.5 cents) per share	**6,247**	8,220

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2011, the Group acquired property, plant and equipment of approximately HK$66,957,000.

10. TRADE AND BILLS RECEIVABLES

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

	30 September 2011 *HK$'000* **(unaudited)**	31 March 2011 *HK$'000* (audited)
Trade receivables:		
Not yet due for settlement	**167,115**	102,439
Overdue:		
1 to 30 days	**22,441**	33,778
31 to 90 days	**14,055**	21,217
91 to 365 days	**5,049**	4,815
Over 1 year	**8,292**	6,651
	216,952	168,900
Less: Allowance for bad and doubtful debts	**(5,756)**	(5,619)
Trade receivables, net	**211,196**	163,281
Bills receivables	**2,844**	—
	214,040	163,281

11. TRADE AND BILLS PAYABLES

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

	30 September 2011 *HK$'000* **(unaudited)**	31 March 2011 *HK$'000* (audited)
Trade payables:		
0 to 30 days	**52,513**	51,582
31 days to 90 days	**2,075**	675
Over 90 days	**625**	743
	55,213	53,000
Bills payables	**42,538**	15,732
	97,751	68,732

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

During the six months ended 30 September 2011, amid the global economy in great turmoil over European debt crisis, the economic growth in China is only slightly affected and is estimated to achieve a GDP growth at around 9%. More importantly, concerned about the low contribution of consumption to GDP, PRC government decided to switched from investment and export to domestic consumption for driving the Chinese economic growth, which not only reduces the adverse impact of global fluctuation on Chinese economy, but also provides huge opportunities for packaging and paper industry, as commodities such as electronic goods require large amount of specialized packaging.

In addition, the current macro conditions, including high borrowing rates of PRC banks and recession in the West are forcing small and uncompetitive paper-based packaging suppliers out of the market. Such inevitable market integration implies that top suppliers such as like the Group can have a higher market share. With effective measures against challenges from rising raw materials and labour costs in PRC, the Group can sustain a satisfactory profitability.

Responding to the global conditions, the Group continued to place emphasis on expanding domestic sales. Also, the Group dedicated greater efforts on exploring opportunities from existing and potential high-end customers in order to provide extra security to the Group's turnover. Being the leading professional packaging designer in the market, the Group also strengthened the service towards high-end customers to provide more space-efficient, cost-saving and high quality packaging, thus further enhancing the working relationships with these customers and boosting the margins.

Regarding capacity expansion, construction of the new plant in Fujian Province, which has a site area of approximately 80,000 square meters and an annual production capacity of 100 million square meters of corrugated paper, is expected to complete by late 2012, while the Huidong plant is undergoing test running, and the estimated capacity can reach 100 million corrugated paper cartons and 100 million square meters of corrugated paper. Such expansion enables the Group to capture future opportunities in the market.

Result of operation

	30 September 2011		30 September 2010	
	HK$'000	*(%)*	*HK$'000*	*(%)*
PRC domestic sales revenue	**189,132**	**47.2**	159,773	47.5
Domestic delivery export sales revenue	**190,039**	**47.4**	159,339	47.3
Direct export sales to Hong Kong revenue	**21,736**	**5.4**	17,423	5.2
Total sales	**400,907**		336,535	
Gross profit ratio		**17.8**		18.7
Net profit ratio*		**2.7**		3.2

* *net profit ratio before change in fair value of financial instruments and share based payment*

Revenue

In the period under review, the Group has been able to capture market opportunities, withstand the disturbances in global market and maintained stable performance. During the period, the Group recorded a turnover of approximately HK$400.9 million, up by approximately 19.1% over the corresponding period in 2010.

Shenzhen Operation

The turnover generated from the operations in Shenzhen amounted to approximately HK$351.6 million, increased by approximately 17.2% as compared with the corresponding period in 2010.

Jiangxi operation

The operation in Jiangxi recorded a turnover of approximately HK$49.3 million, surged by approximately 35.1% as compared with the corresponding period in 2010, which mainly contributed by corrugated carton sales surged during the period.

Gross Profits

The Group's gross profits for the six months ended 30 September 2011 increased by approximately 12.7% from approximately HK$63.0 million in 2010 to approximately HK$71.4 million in 2011. Due to rising raw materials and labour costs, the Group's gross profit margin slightly decreased from approximately 18.7% to 17.8%.

Shenzhen operation

The gross profits contributed by the operations in Shenzhen for the six months ended 30 September 2011 increased by approximately 10.7% from approximately HK$58.2 million in 2010 to approximately HK$64.4 million in 2011. The Group strived to maintain the gross margin by production controls, and developments of custom designed and high value added paper-wares products. However, the labour cost in Shenzhen areas, and the raw materials cost increased rapidly during the period under review, which resulted the gross profit margin slightly decreased by approximately 1.1% from approximately 19.4% in 2010 to approximately 18.3% in 2011.

Jiangxi operation

For the six months ended 30 September 2011, the Jiangxi operation contributed approximately HK$7.0 million gross profit to the Group, increased by approximately 45.8% as compared with last corresponding period. The gross profit margin also improved from approximately 13.1% to approximately 14.3% and represented our initial success in shifting the focus on relatively lower margin paper board to high value added paper-wares products.

Selling and Distribution Expenses and Administrative Expenses

The selling and distribution expenses for the six months ended 30 September 2011 increased by approximately 41.2% from approximately HK$13.1 million in 2010 to approximately HK$18.5 million in 2011. The increment was mainly due to the rising of sales and increase of transportation cost.

The Administrative expenses for the six months ended 30 September 2011 rose by approximately 12.7% from approximately HK$35.5 million in 2010 to approximately HK$40.0 million in 2011, reflecting mainly the provision of sales tax of approximately HK$3.1 million in Jiangxi operation.

Other Operating Expenses

The other operating expenses decreased from approximately HK$336,000 in last corresponding period to approximately HK$53,000 for the six months ended 30 September 2011, which was mainly caused by that the loss on disposal of property, plant and equipment of approximately HK$304,000 in 2010.

Finance Cost

The finance cost increased from approximately HK$0.86 million for the six months ended 30 September 2010 to approximately HK$1.4 million for the period under review. Additional bank loans were raised to finance the new production plant and approximately HK$0.5 million was attributed to the other loan interests in Jiangxi operation.

Working Capital

	Turnover days	
	30 September 2011	31 March 2011
Trade receivables	**86**	67
Trade payables	**46**	31
Inventories	**44**	47
Cash conversion cycle	**84**	83

The trade and bill receivables were approximately HK$214.0 million as at 30 September 2011, increased by approximately 31.0% against approximately HK$163.3 million as at 31 March 2011, such increase was mainly caused by the increase of sales during the period and the peak season effect near the end of the period.

The trade receivable turnover days was increased by 19 days from 67 days for the year ended 31 March 2011 to 86 days for the six months ended 30 September 2011. It was mainly resulted from the Group's active readjustment of the sales mix in targeting renowned and high end customers, and in view of the relatively lower credit risks for such target customers group, longer credit periods were normally granted.

In order to match the longer credit period granted, the Group adopted certain funds management, as a result, the trade and bills payables also increase by approximately 42.3% from approximately HK$68.7 million as at 31 March 2011 to approximately HK$97.8 million as at 30 September 2011.

The trade payable turnover day therefore increased by 15 days from 31 days for the year ended 31 March 2011 to 46 days for the six month ended 30 September 2011.

The inventories carried a total worth of approximately HK$83.1 million as at 30 September 2011, which increased by approximately 11.7% as compared with approximately HK$74.4 million as at 31 March 2011. The inventories turnover days slightly went down by 3 days from 47 days for the year ended 31 March 2011 to 44 days for the six months ended 30 September 2011. The Group will continue to implement stringent inventories control to reduce the holding risk.

Liquidity and Financial Resources

	30 September 2011	31 March 2011
Current ratio	**1.5**	2.3
Gearing ratio	**17.6%**	9.2%

As at 30 September 2011, the Group's total cash and cash equivalents were mostly denominated in Hong Kong Dollar and Renminbi, bank balances and cash amounted to approximately HK$118.9 million, excluding pledged deposits of approximately HK$33.4 million (as at 31 March 2011: approximately HK$138.9 million).

The current assets and current liabilities of the Group increased from approximately HK$424.5 million and approximately HK$188.6 million as at 31 March 2011 to approximately HK$521.5 million and approximately HK$342.2 million as at 30 September 2011 respectively, and the current ratio dropped from approximately 2.3 to approximately 1.5.

Total outstanding bank and other borrowing increased from approximately HK$62.5 million as at 31 March 2011 to approximately HK$148.0 million as at 30 September 2011. The increase of borrowings was mainly attributed to the loans for raw materials to meet the peak season during the period, and additional bank loan was raised to finance the new plants. The gearing ratio therefore increased from approximately 9.2% to approximately 17.6%.

Although the gearing ratio increased, the Group still maintained a healthy financial position and possess with sufficient cash and banking facilities to meet the working capital requirement and finance investment in new production plants.

Foreign Exchange Risk

The Group is exposed to foreign currency risks as some of its business transactions, assets and liabilities were denominated in currencies other than the functional currency of the respective member of the Group. During the year, the Group entered into certain forward contracts and increased its Renminbi deposits to hedge against the exchange risks of Renminbi appreciation. The Group will closely monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Charge of Assets

As at 30 September 2011, the Group pledged certain assets including bank deposits, prepaid lease payments and property, plant and equipment with aggregate net book value of approximately HK$66.1 million (As at 31 March 2011: approximately HK$51.2 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 30 September 2011, the Group's capital expenditure contracted but not provided for regarding property, plant and equipment and capital contribution into a subsidiary were approximately HK$32.1 million (As at 31 March 2011: approximately HK$41.6 million) and approximately HK$21.3 million (As at 31 March 2011: approximately HK$21.3 million) respectively. As at 30 September 2011, the Group has no significant contingent liabilities (As at 31 March 2011: Nil).

Employee and Remuneration

As at 30 September 2011, the Group employed approximately 1,520 employees (As at 31 March 2010: approximately 1,330 employees). Competitive remuneration packages and relevant training were offered to the employees. 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 their individual performances and the Group's result. The remuneration and bonuses of executive Directors and senior management are reviewed and approved by the remuneration committee with reference, but not limited to, the individual's performance, qualification and competence, the Group's results, and the prevailing market condition.

Prospect

It is expected that the European debt crisis will last for a prolonged period, which may slow down exports of China. On the other hand, growth momentum of PRC remains strong, and the increasing demand for various consumer goods is making PRC one of the fastest growing consumer of corrugated paper and packaging products in the world.

In order to cater the rising demand, the Group will continue to make focused effort to capture the upcoming opportunities in PRC market. The Group will further strengthen the sales network centered on by Shenzhen, Jiangxi, Huidong and Fujian plants. The Group will continue to seek cooperation opportunities with high-end customers with considerable scale.

The Group will also keep improving its services, including design and logistics, so as to provide better total solutions of packaging to customers to create greater differentiation from peers.

Regarding internal operation, the Group will strive to control production costs and enhance production efficiency to maintain satisfactory profit margins. The Huidong plant will be put into production as soon as possible after the trial running while the Fujian plant will start construction in near future. The expanded capacity is going to consolidate the leading position of the Group in the market, enabling the Company to deliver fruitful returns to its shareholders.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2011, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

PLACING OF UNLISTED WARRANTS

On 14 September 2011, the Company entered into a warrant placing agreement with Astrum Capital Management Limited (the "**Placing Agent**") whereby the Company appointed the Placing Agent to procure not less than six placees (the "**Placees**") to subscribe for up to 20,000,000 warrants (the "**Warrants**") at the placing price of HK$0.01 per Warrant (the "**Warrant Placing**").

The Warrants entitled the Placees to subscribe for a maximum of 20,000,000 new shares of the Company at an initial subscription price of HK$1.00 per share, subject to adjustments, at any time from the date of issue of the Warrants to the expiry of 24 months of the issue of the Warrants.

The Warrant Placing was completed on 12 October 2011 for which an aggregate of 20,000,000 Warrants had been successfully placed to not less than six Placees.

The net proceeds from the Warrant Placing of approximately HK$30,000 and the allotment and issue of the shares pursuant to the exercise of the Warrants are intended to be used as general working capital of the Group and for future investment opportunities as and when they arise.

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 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 2011.

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 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 ended 30 September 2011.

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, who is also the Chairman of the Audit Committee, Mr. CHAU On Tat Yuen and Ms. TSUI Pui Man.

The Audit Committee has reviewed with management this results announcement and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2011, the accounting principles and practices adopted, internal controls and financial reporting matters.

SUBSEQUENT EVENT

On 10 November 2011, Jumbo Match Limited, a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding ("**MOU**") with Deson Technology Limited (the "**Vendor**") and Mr. Feng Linyi (one of the founders of qq.com as confirmed by Mr. Feng) in respect of a possible acquisition ("**Possible Acquisition**") of 51% of the issued share capital of Think Speed Group Limited (together with its subsidiaries, the "**Target Group**"), which is principally engaged in development and design of online games and operating online game website. Pursuant to the MOU, a member of the Target Group also intended to enter into a management agreement with a shareholder of Shenzhen Thinksky Technology Co., Ltd. ("**Shenzhen Thinksky**") in respect of the 80.01% equity interest in Shenzhen Thinksky. Shenzhen Thinksky is principally engaged in development, design and provision of iTools, a sychronization software for mobile products, to PRC local users and operating website(s) and will be partly owned by a company established in the PRC, which, as advised by the Vendor and Mr. Feng, is an indirect wholly-owned subsidiary of Tencent Holdings Limited. For details, please refer to the announcement of the Company dated 10 November 2011.

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 2011.

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.hkexnews.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, 28 November 2011

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.