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 2012

GROUP RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Come Sure Group (Holdings) Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Note	**2012** *HK$'000*	2011 *HK$'000*
Turnover	*2*	**772,086**	697,640
Cost of goods sold		**(636,728)**	(574,156)
Gross profit		**135,358**	123,484
Other income		**4,042**	2,682
Other gains and losses	*3*	**(2,226)**	(1,674)
Selling expenses		**(36,379)**	(28,928)
Administrative expenses		**(84,300)**	(69,656)
Other operating expenses		**(2,680)**	(352)
Share-based payments		**(466)**	(7,928)
Profit from operations		**13,349**	17,628
Gain on bargain purchase	*11*	**—**	4,365
Finance costs	*4*	**(3,139)**	(2,377)
Profit before tax		**10,210**	19,616
Income tax expense	*5*	**(2,732)**	(3,613)
Profit for the year	*6*	**7,478**	16,003
Profit (loss) for the year attributable to:			
Owners of the Company		**11,331**	18,352
Non-controlling interests		**(3,853)**	(2,349)
		7,478	16,003
Earnings per share	*8*		
Basic		**HK3.43 cents**	HK5.60 cents
Diluted		**HK3.41 cents**	HK5.60 cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Note	**2012** **HK$'000**	2011 HK$'000
Profit for the year	*6*	**7,478**	16,003
Other comprehensive income (expense):			
Exchange differences on translating foreign operations		**17,427**	11,654
Fair value loss on cash flow hedges		**(66)**	—
Other comprehensive income for the year		**17,361**	11,654
Total comprehensive income		**24,839**	27,657
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**27,988**	29,602
Non-controlling interests		**(3,149)**	(1,945)
		24,839	27,657

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Prepaid lease payments		**58,920**	40,506
Property, plant and equipment		**253,759**	174,949
Investment properties		**420**	420
Deposits paid for prepaid lease payments		**12,645**	19,012
Deposits paid for property, plant and equipment		**11,514**	17,373
Deposits paid for acquisition of investment properties		**7,849**	—
Deposits paid for acquisition of subsidiaries		**10,000**	—
Available-for-sales investment		**5,000**	—
Derivative financial instruments		**824**	—
Club membership		**366**	366
		361,297	252,626
Current assets			
Inventories		**93,528**	74,401
Trade and bills receivables	*9*	**186,447**	163,281
Deposits paid for acquisition of subsidiaries		**20,000**	—
Prepayments, deposits and other receivables		**32,071**	20,041
Amount due from a non-controlling shareholder		**3**	—
Prepaid lease payments		**1,280**	881
Tax recoverable		**11,113**	3,427
Financial assets designated as at fair value through profit or loss		**64,899**	—
Derivative financial instruments		**15**	—
Held for trading investments		**3,576**	7,877
Pledged bank deposits		**53,110**	15,711
Time deposits of original maturity of more than three months		**617**	—
Bank and cash balances		**102,276**	138,853
		568,935	424,472
Current liabilities			
Trade and bills payables	*10*	**111,986**	68,732
Accruals and other payables		**78,652**	51,787
Amounts due to non-controlling shareholders		**9,223**	7,177
Short-term bank borrowings		**109,816**	49,238
Current tax liabilities		**741**	359
Derivative financial instruments		**277**	—
Current portion of long-term borrowings		**28,345**	11,274
		339,040	188,567
Net current assets		**229,895**	235,905
Total assets less current liabilities		**591,192**	488,531

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
Non-current liabilities		
Amounts due to non-controlling shareholders	**11,304**	10,880
Long-term borrowings	**31,877**	1,979
Deferred tax liabilities	**5,573**	5,581
Derivative financial instruments	**141**	—
	48,895	18,440
NET ASSETS	**542,297**	470,091
Capital and reserves		
Share capital	**3,623**	3,288
Reserves	**522,933**	447,907
Equity attributable to owners of the Company	**526,556**	451,195
Non-controlling interests	**15,741**	18,896
	542,297	470,091

NOTES

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (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)-Interpretation ("INT") 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity Instruments

Except as explained below, the adoption of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 (as part of improvements to HKFRSs issued in 2010) clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change.

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

HKFRSs (Amendments)	Annual Improvements 2009–2011 Cycle[4]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
	Government Loans[4]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[1]
	Disclosures — Offsetting Financial Assets and Financial Liabilities[4]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[6]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (as revised in 2011)	Employee Benefits[4]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-INT 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.
[5] Effective for annual periods beginning on or after 1 January 2014.
[6] Effective for annual periods beginning on or after 1 January 2015.

Amendments to HKFRS 7 Disclosures — Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors of the Company anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

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

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC)-Int 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under *HKFRS 7 Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

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

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 "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 and operating segments under HKFRS 8 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 following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 March 2012

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue				
External sales	**641,383**	**130,703**	**—**	**772,086**
Inter-segment sales	**54,113**	**27,927**	**(82,040)**	**—**
Total	**695,496**	**158,630**	**(82,040)**	**772,086**
Segment results	**25,961**	**(3,208)**		**22,753**
Interest income				**1,841**
Fair value changes of held for trading investments				**(2,904)**
Loss on disposal of held for trading investments				**(635)**
Dividend income from held for trading investment				**135**
Income from pivot bonus forward contracts, target digital pivot forward contract and strip of bullish structure forward contract				**514**
Fair value changes of derivative financial instruments				**487**
Fair value changes of financial assets designated as at fair value through profit or loss ("FVTPL")				**312**
Corporate income and expenses				**(12,293)**
Profit before tax				**10,210**

For the year ended 31 March 2011

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue				
External sales	579,702	117,938	—	697,640
Inter-segment sales	69,009	37,140	(106,149)	—
Total	648,711	155,078	(106,149)	697,640
Segment results	29,400	(2,802)		26,598
Fair value changes of held for trading investments				(1,967)
Gain on disposal of held for trading investments				293
Interest income				757
Gain on bargain purchase				4,365
Corporate income and expenses				(10,430)
Profit before tax				19,616

The accounting policies of the operating segments are the same as the Group's accounting policies in preparing the consolidated financial statements of the Group. Segment profits or losses represented the profit earned/loss from each segment without allocation of gain on bargain purchase, interest income, fair value changes of derivative financial instruments, fair value changes of financial assets designated as at FVTPL, fair value changes of held for trading investment, income from pivot bonus forward contracts, target digital pivot forward contract and strip of bullish structure forward contract, dividend income from held for trading investments, gain or loss on disposal of held for trading investments, written back of other payables and corporate income and expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

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

At 31 March 2012

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Total *HK$'000*
Segment assets	**684,380**	**113,561**	**797,941**
Total assets for reportable segments			**797,941**
Unallocated items:			
Leasehold land in Hong Kong for corporate use			**1,406**
Investment properties			**420**
Club membership			**366**
Deposits paid for acquisition of investment properties			**7,849**
Deposits paid for acquisition of subsidiaries			**30,000**
Amount due from a non-controlling shareholder			**3**
Held for trading investments			**3,576**
Tax recoverable			**11,113**
Bank balance managed on central basis			**4,610**
Available-for-sale investment			**5,000**
Derivative financial instruments			**839**
Financial assets designated as at FVTPL			**64,899**
Others			**2,210**
Consolidated total assets			**930,232**
Segment liabilities	**166,429**	**23,203**	**189,632**
Total liabilities for reportable segments			**189,632**
Unallocated items:			
Current tax liabilities			**741**
Deferred tax liabilities			**5,573**
Amounts due to non-controlling shareholders			**20,527**
Borrowings			**170,038**
Derivative financial instruments			**418**
Others			**1,006**
Consolidated total liabilities			**387,935**

At 31 March 2011

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Total *HK$'000*
Segment assets	551,495	100,537	652,032
Total assets for reportable segments			652,032
Unallocated items:			
Leasehold land in Hong Kong for corporate use			1,446
Investment properties			420
Club membership			366
Held for trading investments			7,877
Tax recoverable			3,427
Bank balance managed on central basis			10,939
Others			591
Consolidated total assets			677,098
Segment liabilities	103,089	15,488	118,577
Total liabilities for reportable segments			118,577
Unallocated items:			
Current tax liabilities			359
Deferred tax liabilities			5,581
Amounts due to non-controlling shareholders			18,057
Borrowings			62,491
Others			1,942
Consolidated total liabilities			207,007

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

- all assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment properties, club membership, deposit paid for acquisition of investment properties, amount due from a non-controlling shareholder, deposit paid for acquisition of subsidiaries, held for trading investments, bank balance managed on central basis, available-for-sale investment, derivative financial instruments, financial assets designated as at fair value through profit or loss, tax recoverable and corporate assets; and

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

The segment information is as follows:

Other segment information:

2012

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation and amortisation	**13,534**	**9,971**	**6**	**23,511**
Additions to non-current assets *(note)*	**86,792**	**8,469**	**17,849**	**113,110**
Dividend income from held for trading investment	**—**	**—**	**(135)**	**(135)**
Gain on disposal of property, plant and equipment	**(2)**	**—**	**—**	**(2)**
Write-back of other payables	**(461)**	**—**	**—**	**(461)**
Loss on disposal of held for trading investments	**—**	**—**	**635**	**635**
Allowance for bad and doubtful debts	**2,521**	**—**	**—**	**2,521**
Reversal of allowance for inventories	**(895)**	**—**	**—**	**(895)**

Note: Non-current assets excluded available-for-sale investment, financial assets designated as at FVTPL and derivative financial instruments.

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Interest income	**(1,794)**	**(47)**	**—**	**(1,841)**
Interest expenses	**2,656**	**483**	**—**	**3,139**
Income tax expense	**3,241**	**(509)**	**—**	**2,732**

2011

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation and amortisation	14,520	9,198	41	23,759
Additions to non-current assets	131,662	2,720	32	134,414
Allowance for inventories	—	767	—	767
Gain on disposal of property, plant and equipment	(308)	—	—	(308)
Gain on disposal of held for trading investments	—	—	(293)	(293)
Write-back of other payables	—	—	(574)	(574)
Allowance for bad and doubtful debts	352	—	—	352

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Interest income	(702)	(16)	(39)	(757)
Interest expenses	2,153	224	—	2,377
Income tax expense	3,948	(335)	—	3,613

Geographical information:

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

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

	Revenue from external customers		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**42,601**	33,567	**83,108**	4,863
PRC except Hong Kong	**729,485**	664,073	**332,232**	247,763
Consolidated total	**772,086**	697,640	**415,340**	252,626

Information about major customers

During the years ended 31 March 2012 and 2011, none of the Group's sales to a single customer amounted to 10% or more of the Group's total revenue.

3. OTHER GAINS AND LOSSES

	2012	2011
	HK$'000	*HK$'000*
Fair value changes of derivative financial instruments	**487**	—
Fair value changes of held for trading investments	**(2,904)**	(1,967)
Fair value changes of financial assets designated as at FVTPL	**312**	—
(Loss) gain on disposal of held for trading investments	**(635)**	293
Income from pivot bonus forward contracts, target digital pivot forward contract and strip of bullish structure forward contract	**514**	—
	(2,226)	(1,674)

4. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on:		
bank borrowings		
— wholly repayable within five years	**3,137**	1,326
other loans		
— wholly repayable within five years	**404**	621
amount due to a non-controlling shareholder		
— not wholly repayable within five years	**619**	430
Total borrowing costs	**4,160**	2,377
Less: amounts capitalised	**(1,021)**	—
	3,139	2,377

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.05% (2011: nil) per annum to expenditure on qualifying assets.

5. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current tax	**183**	245
Over-provision in previous years	**(68)**	—
	115	245
PRC enterprise income tax ("EIT")		
Current tax	**2,427**	3,020
Under-provision in previous years	**369**	928
	2,796	3,948
Deferred tax	**(179)**	(580)
	2,732	3,613

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions.

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 contract 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 profit 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 of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

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 2011, 24% in 2012 and 25% from 2012 onwards.

Under the Enterprise Income Tax Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the 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$53,259,000 (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.

In prior years, 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 2005/06. The Group has already submitted several replies and provided part of the financial information to 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 2012, 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. On 13 January and 29 February 2012, the IRD issued estimated assessments for the year of assessment of 2005/06 to five of the subsidiaries of the Group which amounted to HK$15,660,000 in aggregate. The Group had made objections to the IRD on those estimated assessments on 9 April 2009, 23 March 2010, 7 March 2011 and 18 February 2012 respectively. During the year ended 31 March 2012, the Group has purchased tax reserve certificates amounting to HK$3,500,000.

The Group is still waiting for further comment from the IRD at the end of the reporting period. Having taken the advices from the Group's tax advisor, the directors of the Company are of the opinion that, as at 31 March 2012, the provision for taxation made in the consolidated financial statements is sufficient and not excessive and believe that no significant amount of additional profits tax will be payable for the above request.

Since the process to finalise the above estimated assessments with the IRD is still at a preliminary stage, it is too remote to consider the eventual amount of penalty and interest payable, if any, under the estimated assessments at this stage. Hence, no amount of penalty or interest has been considered as necessary.

6. PROFIT FOR THE YEAR

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

	2012	2011
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**22,482**	22,925
Amortisation of prepaid lease payments	**1,029**	834
Total depreciation and amortisation	**23,511**	23,759
Auditors' remuneration	**880**	850
Cost of inventories sold *(note a)*	**636,728**	574,156
Operating lease charges in respect of land and buildings	**18,862**	17,857
(Reversal of allowance) allowance for inventories (included in cost of inventories sold)	**(895)**	767
Allowance for bad and doubtful debts (included in other operating expenses)	**2,521**	352
Net foreign exchange loss	**4,405**	2,043

Note:

(a) Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$87,564,000 (2011: HK$73,062,000) which are included in the amounts disclosed separately above.

7. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year		
2011 Final dividend — HK1.9 cents (2010: HK2.5 cents) per share	**6,247**	8,220

The final dividend of HK1.2 cents (2011: HK1.9 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. 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

	2012	2011
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**11,331**	18,352

Number of shares

	2012	2011
Issued and issuable ordinary shares at beginning of year	**328,800,000**	322,000,000
Effect of shares issued under placing and allotment	**1,468,493**	5,887,123
Weighted average number of ordinary shares at end of year	**330,268,493**	327,887,123
Weighted average number of ordinary shares for the purpose of basic earnings per share	**330,268,493**	327,887,123
Effect of dilutive potential ordinary shares — share options	**1,649,530**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**331,918,023**	327,887,123

The computation of diluted earnings per share does not assume the exercise of certain of the Company's share options because the exercise prices of those options were higher than the average market price of shares for the years ended 31 March 2012 and 2011.

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 the end of the month in which the relevant sales occurred. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The ageing analysis of trade and bills receivables, based on the due date for settlement, is as follows:

	2012	2011
	HK$'000	*HK$'000*
Trade receivables:		
Not yet due for settlement	**150,986**	102,439
Overdue:		
1 to 30 days	**12,174**	33,778
31 to 90 days	**12,588**	21,217
91 to 365 days	**3,938**	4,815
Over 1 year	**11,205**	6,651
	190,891	168,900
Less: Allowance for doubtful debts	**(8,119)**	(5,619)
	182,772	163,281
Bills receivables	**3,675**	—
	186,447	163,281

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

Ageing of trade receivables which are past due but not impaired

	2012	2011
	HK$'000	*HK$'000*
Overdue by:		
1 to 90 days	**24,762**	54,995
91 to 365 days	**3,938**	4,443
Over 1 year but within 2 years	**3,086**	1,404
Total	**31,786**	60,842

Movement in the allowance for doubtful debts

	2012	2011
	HK$'000	*HK$'000*
1 April	**5,619**	3,965
On acquisition of subsidiaries	**—**	1,415
Allowance for doubtful debts for overdue trade receivables	**2,521**	352
Write off as bad debts	**(189)**	(222)
Exchange differences	**168**	109
31 March	**8,119**	5,619

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

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$8,119,000 (2011: HK$5,619,000) which have either been placed under liquidation or in severe financial difficulties.

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

	2012	2011
	HK$'000	*HK$'000*
HK$	**72,150**	75,762
US$	**20,074**	15,307
RMB	**93,357**	70,368
AUD	**866**	1,844
	186,447	163,281

10. TRADE AND BILLS PAYABLES

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

	2012	2011
	HK$'000	*HK$'000*
Trade payables:		
0 to 30 days	**42,322**	51,582
31 days to 90 days	**1,122**	675
Over 90 days	**1,255**	743
	44,699	53,000
Bills payables	**67,287**	15,732
	111,986	68,732

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 Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

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

	2012	2011
	HK$'000	*HK$'000*
HK$	**14,932**	15,900
RMB	**97,054**	52,832
	111,986	68,732

11. ACQUISITION OF SUBSIDIARIES

On 28 April 2010 ("date of acquisition"), the Group acquired 56.05% equity interest in 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 acquisition, 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 boards, paper boxes and high-class packaging paper in the PRC.

Acquisition-related cost of approximately HK$250,000 had been recognised as expenses in profit or loss for the year ended 31 March 2011.

The consolidated net assets acquired in the transaction and the gain on bargain purchase arising were as follows:

	Acquirees' carrying amounts before combination *HK$'000*	Fair value adjustments *HK$'000*	Fair value *HK$'000*
Net assets acquired:			
Prepaid lease payments	2,364	13,005	15,369
Property, plant and equipment	34,690	4,000	38,690
Inventories	11,604	—	11,604
Trade receivables	7,479	—	7,479
Prepayments, deposits and other receivables	14,002	—	14,002
Pledged bank deposits	2,689	—	2,689
Bank and cash balances	2,178	—	2,178
Trade and bills payables	(7,840)	—	(7,840)
Accruals and other payables	(31,905)	—	(31,905)
Long-term borrowings	(5,486)	—	(5,486)
Deferred tax liabilities	—	(4,251)	(4,251)
	29,775	12,754	42,529
Less: Non-controlling interests			(20,837)
Gain on bargain purchase			(4,365)
Total consideration			17,327
Satisfied by:			
Cash			9,439
6,800,000 ordinary shares of the Company			7,888
			17,327
Net cash outflow arising on acquisition:			
Consideration paid in cash			(9,439)
Less: Cash and cash equivalents acquired			2,178
			(7,261)

The fair value of the consideration shares of the Company was determined on the basis of the closing market price of the Company's ordinary shares on the date of acquisition.

The Group recognised a gain on bargain purchase of approximately HK$4,365,000 in the business combination. The business combination results in a gain on bargain purchase mainly because of the original shareholders' expectation for the future enhancement of Rising Sun's operation effectiveness that will be brought by the Group's expertise in the industry and the good relationship with major suppliers.

Fully Chance contributed approximately HK$82,141,000 to the Group's turnover and loss of approximately HK$4,756,000 to the Group's profit for the period between the date of acquisition and as at 31 March 2011.

If the acquisition had been completed on 1 April 2010, the Group's total turnover for the period would have been approximately HK$704,202,000, and profit for the year ended 31 March 2011 would have been approximately HK$15,804,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2010, nor is intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

The overall packaging industry in China has experienced robust growth in recent years. According to China Packaging Federation, the total production value of China's packaging industry was RMB1.2 trillion (USD190.6 billion) in 2010. With a production volume of 40 billion m^2 of corrugated board, China became the world's largest producer of this material. Paper packaging made up about 38%, the largest portion, of the total packaging industry. In 2011, the production value of the packaging industry was estimated at RMB1.4 trillion (USD220.4 billion), while paper packaging still accounted for about 38% of the entire industry.

The China Packaging Federation also emphasized that "green" packaging has become the trend in both international and domestic markets in recent years. The industry has made serious efforts to develop green packaging products to reduce the amount of harmful materials during the packaging process. Corrugated board and corrugated paper packaging products, being harmless, easy to breakdown and eco-friendly, have huge potential in the market.

Business Review

Despite the negative influence of European sovereign debt crisis and the slow-paced recovery in U.S. imposed on global economy, which resulted in a relatively sluggish packaging market overseas, the strong economic growth in China generated a robust demand for paper packaging products. This helped maintain the growth momentum of the Group's business.

The domestic market continued to be our main focus for the year ended 31 March 2012 (the "Year"). The revenue generated from the PRC domestic sales grew by 11.6%, and the revenue generated from domestic delivery export and direct export sales to Hong Kong increased by 8.2% and 25.9% respectively as compared to last year.

To cope with the continually expanding domestic market demand, the Group strategically enhances its production capacity through expanding its production base in China. The Huidong factory has completed trial production in 2011 and commenced commercial production in April 2012. Another factory acquired in Jiangxi has been operating since 2010, providing 60 million m^2 of corrugated paper-board and 60 million pieces of corrugated paper packaging production capacity per year. In year 2013, the construction of the Fujian factory will be completed. By then, the total production capacity, including the factories based in Shenzhen, as well as Jiangxi, Huidong and Fujian factories, will experience approximately double growth.

Thanks to the support of our valued customers, the Group remained in its market share and position in the packaging industry. In addition to the existing customers of international furniture manufacturers, coffee chain shops, automobile glass manufacturers, electrical appliances and other well-known brands in various industries, the Group has secured some new customers including a sizeable Original Equipment Manufacturer ("**OEM**") for home appliances during the Year.

Regarding the internal operation management, the Group stepped up efforts on analyzing and fine-tuning the production procedures with an aim to further increase production efficiency. The Group also maintained cautious management on inventory level as well as procurement, in order to ensure effective resource usage and a healthy financial status, such as an optimum cashflow and low bad debts. These are vital measures for the Group to keep a solid financial foundation for future development amid the uncertain economic prospects.

Result of Operation

	2012		2011	
	HK$'000	***(%)***	*HK$'000*	*(%)*
PRC domestic sales	**370,035**	**47.9**	331,670	47.5
Domestic delivery export	**359,450**	**46.6**	332,122	47.6
Direct export	**42,601**	**5.5**	33,848	4.9
Total Sales	**772,086**	**100**	697,640	100
Gross profit margin		**17.5**		17.7
Net profit margin		**1.0**		2.3

Revenue

During the Year, the revenue of the Group amounted to approximately HK$772.1 million, representing an increase of 10.7% as compared to approximately HK$697.6 million for the year ended 31 March 2011.

Shenzhen operation

The revenue generated from Shenzhen operation amounted to HK$678.3 million, increased by 10.2% as compared to HK$615.5 million for the corresponding period last year. During the Year, the Group dedicated greater effort on exploring opportunities from existing and potential high-end customers which require large amount of specialized and structural designed packaging. As a result, the revenue generated from printed cartons and other paper-wares lifted up by 15.6% from HK$451.4 million to HK$522.0 million.

Jiangxi operation

The operation in Jiangxi contributed HK$93.8 million revenue to the Group during the Year, representing a 14.3% increase from HK$82.1 million for the year ended 31 March 2011 However, its potential has not been fully reflected but the Group believes that the operation will be further improved in the coming years through leveraging on our experienced sales team and business network in the Jiangxi area in order to cope with the increasing demand and to increase its market share in the surrounding areas.

Huidong operation

Huidong plant has completed trial production in 2011 and started commercial production in April 2012. The annual capacity is approximately 100 million m^2 of corrugated paper-board and 100 million pieces of corrugated paper packaging product. The expected turnover will reach approximately HK$100 million as at 31 March 2013.

Gross Profit

During the Year, the gross profit increased by 9.6% from HK$123.5 million to HK$135.4 million. Gross profit margins slightly decreased from 17.7% to 17.5%.

The Group maintained a stringent cost control system during the Year under conditions of surging raw materials cost and increasing labour wages. We increased the product selling price and managed productivity-based calculation on labour wages to maintain a steady gross profit level during the Year. Cost of goods sold increased in line with the revenue by approximately 10.9%.

Shenzhen operation

The gross profit attributable to the operation of Shenzhen increased from HK$112.2 million for the year ended 31 March 2011 to HK$120.7 million for the year ended 31 March 2012, and the gross profit margin remained steady with a slight decrease from 18.2% to 17.8%. The Shenzhen operation continues to contribute the highest level of gross profit during the Year with production of most high value-added paper board products.

Jiangxi operation

The gross profit and gross profit margin of the operation in Jiangxi increased from HK$11.3 million and 13.8% for the year ended 31 March 2011 to HK$14.7 million and 15.7% for the year ended 31 March 2012 respectively. The gross profit margin was relatively lower than the operation in Shenzhen, however, as the potential profit is not fully maximized yet since the Group newly acquired the plant and entered into the market in 2010. The Group will actively participate in market penetration through sales promotion to secure more orders in the coming years.

Selling and Distribution and Administrative expenses

The selling and distribution expenses increased by 26.0% from approximately HK$28.9 million in 2011 to approximately HK$36.4 million in 2012. The increase was mainly attributable to the rise of goods delivery expenses and commission paid.

The administrative expenses increased by 20.9% from approximately HK$69.7 million in 2011 to approximately HK$84.3 million in 2012, which was mainly attributed to the increase of salaries and allowances and the preliminary expenses for the Huidong production plant.

Other Operating Expenses

The other operating expenses increased from approximately HK$352,000 in 2011 to approximately HK$2.7 million in 2012, which was mainly represented by the impairment of doubtful debts during the Year.

Finance Cost

The finance cost increased from approximately HK$2.4 million in 2011 to approximately HK$3.1 million in 2012. The average bank borrowings were increased due to the working capitals requirement and the finance of plants and machinery, and approximately HK$1.0 million of other loan interests were attributed to the Jiangxi operation (2011: approximately HK$1.1 million).

Net Profit and Dividend

The net profit attributable to the owners of the Company decreased by 38.6% from approximately HK$18.4 million in 2011 to approximately HK$11.3 million in 2012, and the net profit margin decreased from 2.3% in 2011 to 1.0% in 2012. The decrease were mainly due to the increase of goods delivery expenses, salaries and allowances and the preliminary expenses incurred for the Huidong operation.

Basic earnings per share was HK$3.43 cents (2011: HK$5.60 cents). The Board proposed a payment of final dividend of HK$1.2 cents per ordinary share.

Working Capital

	2012	2011
Trade and bills receivable	**83**	67
Trade and bills payable	**52**	31
Inventories	**48**	47
Cash conversion cycle*	**79**	83

* *Trade receivable turnover days + Inventories turnover days — Trade payables turnover days*

Since sales increased and longer credit periods were granted to certain renowned customers with lower credit risk, the trade and bills receivables reached approximately HK$186.4 million as at 31 March 2012, increased by 14.1% against approximately HK$163.3 million as at 31 March 2011. Trade receivables turnover days increased from 67 days in 2011 to 83 days in 2012.

In order to match the longer credit period granted, the Group adopted certain funds management, as a result, the trade and bills payables increased from approximately HK$68.7 million to approximately HK$112.0 million in 2012. The trade payables turnover days increased by 21 days to 52 days in 2012 as compared to 31 days in 2011.

Inventories carried a total worth of approximately HK$93.5 million in 2012 as compared to approximately HK$74.4 million in 2011. The inventory turnover remained at a stable level of 48 days in 2012 as compared to 47 days in 2011. The Group will continue to implement a stringent inventory control to reduce the obsolete risk of inventory.

The cash conversion cycle of the Group was maintained at 79 days for the year ended 31 March 2012 as compared to 84 days for the year ended 31 March 2011, representing the Group's improved operation effectiveness and reduced liquidity risk.

Liquidity and Financial Resource

	2012	2011
Current ratio	**1.7**	2.3
Gearing ratio	**18.3%**	9.2%

During the Year, the principal sources of working capital of the Group were the cash flow from operating activities and bank borrowings. As at 31 March 2012, the Group's total cash and cash equivalents were mostly denominated in Hong Kong dollars and Renminbi, bank balances and cash amounted to approximately HK$102.3 million (2011: approximately HK$138.9 million), excluding pledged deposit of approximately HK$53.1 million and time deposits of original maturity of more than three months of approximately HK$617,000 (2011: Nil), and the unused banking facilities totalled to approximately HK$405.1 million.

The current assets and current liabilities increased from approximately HK$424.5 million and approximately HK$188.6 million as at 31 March 2011 to approximately HK$568.9 million and approximately HK$339.0 million as at 31 March 2012 respectively. Current ratio (current assets divided by current liabilities) decreased from 2.3 as at 31 March 2011 to 1.7 as at 31 March 2012.

Total outstanding bank and other borrowings increased from approximately HK$62.5 million as at 31 March 2011 to approximately HK$170.0 million as at 31 March 2012, which was mainly due to the working capital requirements and the finance of plants and machinery. The gearing ratio (total borrowings divided by total assets) increased from 9.2% as at 31 March 2011 to 18.3% as at 31 March 2012.

The increased gearing ratio is still considered to be at a healthy level as at 31 March 2012, and the Group maintained a sound liquidity position and processed with sufficient cash and banking facilities to meet the working capital requirements for its existing operations and to finance emerging investment opportunities.

Foreign Exchange Risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective members of the Group. During the Year, the Group entered into certain forward contracts and pivot forward amounted to approximately RMB25.7 million and USD5 million respectively and increased Renminbi deposit to reduce the exchange risks of Renminbi. The Group will continue to monitor the foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Charge of Assets

As at 31 March 2012, the Group pledged certain assets including bank deposits, prepaid lease payments and property plant and equipment with aggregate net book value of approximately HK$88.9 million (2011: approximately HK$51.2 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 31 March 2012, the Group's capital expenditure contracted but not provided for regarding to purchase of property, plant and equipment and investment properties was approximately HK$83.5 million (2011: approximately HK$41.6 million), approximately HK$56.3 million (2011: Nil) respectively.

As at 31 March 2012, the Group's capital expenditure authorised but not contracted for regarding to an additional capital contribution into Think Speed Group Limited was approximately HK$25.7 million (2011: Nil).

As at 31 March 2012, the Group had no significant contingent liabilities (2011: Nil).

Significant Investment Held and Material Acquisition and Disposal

On 10 November 2011, the Group entered into a memorandum of understanding (as supplemented by a supplemental memorandum of understanding dated 6 January 2012) with Deson Technology Limited (the "**Vendor**") and Mr. Feng Linyi to acquire 51% interest in Think Speed Group Limited ("**TSGL**", together with its subsidiaries, the "**Target Group**") (the "**Target Group Acquisition**"). A formal sales and purchase agreement in relation to the Target Group Acquisition (the "**SP Agreement**") was entered into on 4 May 2012 with a total consideration amounting to HK$35.7 million. The Target Group Acquisition was completed on 21 June 2012.

The Target Group is principally engaged in development and design of online games and operating online game website(s) and has obtained the exclusive operative rights to promote and operate the business of provision of the software management and synchronization software owned by 深圳市創想天空科技有限公司 (Shenzhen Thinksky Technology Co., Ltd.*) including without limitation to iTools in the regions outside the PRC and the right and interest to receive 70% operating income (after tax) generated from such business. Please also refer to the section headed "Events after the reporting period — Acquisition of subsidiaries" of this announcement.

Employees and Remuneration

As at 31 March 2012, the Group employed 1,711 employees (2011: 1,350). Competitive remuneration packages and relevant trainings were offered to employees.

Total staff cost including directors' emolument amounted to approximately HK$83.1 million (2011: approximately HK$75.2 million). 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 the individual performance and the Group's results.

The remuneration and bonuses of the executive Directors and senior management had been reviewed and approved by the remuneration committee with reference to (including without limitation) the individual performance, qualification and competence, the prevailing market condition and the Group's results.

Prospects

Looking ahead, our production capacity will maintain steady growth with new production bases in different areas. The Huidong factory has commenced production in April 2012, while the Fujian factory is under construction and expected to be completed by 2013. The Group's production capacity is going to be doubled from current ones to cope with the demand of paper-based packaging products from Guangdong, Jiangxi and Fujian, which will contribute significant profit growth to the Group.

The acquisition of TSGL during the Year is a strategic investment to the Group. It represents a significant milestone to diversify the Group's business to webgame and iTools software businesses. These are high value-added businesses compared to the main business and the Group expects to achieve strong return to support future growth.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the year ended 31 March 2012, save as disclosed below, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

On 13 March 2012, a total of 33,500,000 ordinary shares were placed to no less than six placees at a placing price of HK$1.72 per share by way of top-up placing under the general mandate granted to the Directors by a resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 23 August 2011 (the "**General Mandate**"). The net proceeds from the subscription of approximately HK$53,105,000 are intended to be used for financing part of the consideration of the Target Group Acquisition and as general working capitals of the Group. Please refer to the announcements of the Company dated 8 March 2012 and 16 March 2012. For details of the Target Group Acquisition, please refer to the sections headed "Significant Investment Held and Material Acquisition and Disposal" and "Events after the reporting period — Acquisition of subsidiaries" of this announcement.

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 unlisted transferable warrants (the "**Warrants**") at the placing price of HK$0.01 per Warrant (the "**Warrant Placing**").

The holders of Warrants are entitled to subscribe for a maximum of 20,000,000 new shares in aggregate of the Company (the "**Warrant Shares**") 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 Shares will be allotted and issued under the General Mandate.

The Warrant Placing was completed on 12 October 2011 for which an aggregate of 20,000,000 Warrants had been successfully placed to no less than six Placees.

The net proceeds from the Warrant Placing of approximately HK$40,000 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. For details, please refer to the announcements of the Company dated 14 September 2011 and 12 October 2011.

As at the date hereof, none of the Warrants has been exercised.

CORPORATE GOVERNANCE

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

In order to comply with the code provision A.2.1 of the Code (as defined below) with respect to the segregation of the roles of chairman and chief executive officer, the Board had re-designated (the "**Re-designation**") the following Directors with effect from 13 July 2011:

(i) Mr. CHONG Kam Chau, the Chairman, the President and an executive Director, resigned as the President and remains as the Chairman and an executive Director; and

(ii) Mr. CHONG Wa Pan, the Managing Director and an executive Director, has been re-designated from the Managing Director to the Chief Executive Officer of the Group, and appointed as the President. He remains as an executive Director.

After the Re-designation, Mr. CHONG Kam Chau, as the Chairman, is responsible for the strategic planning and overall development of the Group. Mr. CHONG Wa Pan, as the Chief Executive Officer, is responsible for overseeing the daily operations of the Group. The Board believes that the overall control and efficiency of the operation will be substantially improved pursuant to the Re-designation.

The Company has complied with the code provisions set out in 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 year ended 31 March 2012.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The main duties of the Audit Committee 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, together with the management of the Company and the external auditors, have reviewed this results announcement and the audited consolidated financial statements of the Group for the year ended 31 March 2012, 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 HK1.2 cents per share for the year ended 31 March 2012, amounting to approximately HK$4.3 million in total. The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders of the Company at the forthcoming annual general meeting of the Company. The record date for entitlement to the proposed final dividend is Tuesday, 11 September 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 7 September 2012 to Tuesday, 11 September 2012, both days inclusive, and no transfer of shares will be effected on such date. In order to qualify for the proposed final dividend, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 6 September 2012. It is expected that the final dividend will be paid on or around 28 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "**Annual General Meeting**") is scheduled on Monday, 3 September 2012. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 30 August 2012 to Monday, 3 September 2012, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Wednesday, 29 August 2012.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of investment properties

As at 31 March 2012, the Group entered into provisional agreements for the acquisition of investment properties and deposits of approximately HK$7,849,000 have been paid. Subsequent to 31 March 2012, the Group entered into assignments for these investment properties with the payment of remaining consideration and transaction cost of approximately HK$56,320,000 and approximately HK$1,113,000 respectively. The Group paid approximately HK$29,935,000 in cash and arranged mortgage loans for the remaining balance of HK$27,500,000.

Acquisition of subsidiaries

Referring to the acquisition of TSGL as detailed in the section headed "Significant Investment Held and Material Acquisition and Disposal" above, on 4 May 2012, the Group entered into the SP Agreement with the Vendor and three of the ultimate beneficial owners of the Vendor in relation to the Target Group Acquisition at a consideration of HK$35,700,000, which shall be satisfied by a combination of cash payment of HK$14,560,000 and the allotment of 10,570,000 new shares of the Company (the "**Consideration Shares**") at HK$2 each per share amounting to HK$21,140,000. The issue and allotment of the Consideration Shares is on condition that, among other things, the consolidated net profit of TSGL for the two financial years ending on 31 March 2014 shall not be less than HK$20,000,000. The Target Group Acquisition was completed on 21 June 2012.

The Directors consider that the Target Group will offer a good opportunity for the Group to enter into the rapid growing online games, internet and mobile internet business.

For details, please refer to the announcements of the Company dated 10 November 2011, 6 January 2012, 4 May 2012, 18 June 2012 and 21 June 2012.

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 2012.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2012 have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at 10:30 a.m. on Monday, 3 September 2012 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong. The 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 26 July 2012.

PUBLICATION OF RESULTS ANNOUNCEMENT

The annual report of the Company will be despatched to the 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, 29 June 2012

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.