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 2013

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 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 September 2013

		Six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*3*	**429,920**	398,484
Cost of goods sold		**(336,520)**	(318,476)
Gross profit		**93,400**	80,008
Other income		**3,673**	2,991
Other gains and losses	*4*	**10,017**	(1,624)
Selling expenses		**(24,116)**	(19,825)
Administrative expenses		**(59,300)**	(47,459)
Other operating expenses		**(372)**	(299)
Share-based payment		**–**	(166)
Profit from operations		**23,302**	13,626
Finance costs	*5*	**(4,157)**	(3,485)
Profit before tax		**19,145**	10,141
Income tax expense	*6*	**(2,175)**	(1,362)
Profit for the period	*7*	**16,970**	8,779
Profit for the period attributable to:			
Owners of the Company		**19,179**	9,766
Non-controlling interests		**(2,209)**	(987)
		16,970	8,779
Earnings per share	*8*		
Basic and diluted		**5.29 cents**	2.70 cents
Dividend	*9*	**–**	–

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2013

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**16,970**	8,779
Other comprehensive income (expense):		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**9,563**	(4,177)
Net gain from cash flow hedge	**–**	66
Other comprehensive income (expense) for the period	**9,563**	(4,111)
Total comprehensive income	**26,533**	4,668
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**28,392**	5,812
Non-controlling interests	**(1,859)**	(1,144)
	26,533	4,668

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2013

	Note	**30 September 2013** *HK$'000* **(unaudited)**	31 March 2013 *HK$'000* (audited)
Non-current assets			
Prepaid lease payments		**58,254**	58,016
Property, plant and equipment	*10*	**254,011**	255,528
Investment properties		**185,600**	182,500
Goodwill		**23,113**	23,113
Intangible assets		**3,363**	4,981
Deposits paid for prepaid lease payments		**12,928**	12,693
Deposits paid for acquisition of property, plant and equipment		**10,667**	10,027
Available-for-sale investment		**3,542**	3,542
Financial assets designated as at fair value through profit or loss		**341**	341
Derivative financial instruments		**2,898**	203
Club membership		**366**	366
		555,083	551,310
Current assets			
Inventories		**88,742**	89,508
Trade and bills receivables	*11*	**224,515**	195,567
Prepayments, deposits and other receivables		**30,745**	26,977
Amounts due from non-controlling shareholders		**24**	24
Amounts due from indemnifiers		**–**	3,159
Prepaid lease payments		**1,313**	1,289
Financial assets designated as at fair value through profit or loss		**65,092**	67,133
Derivative financial instruments		**2,881**	462
Held for trading investments		**2,981**	3,725
Pledged bank deposits		**119,176**	20,984
Bank and cash balances		**127,136**	126,334
		662,605	535,162

	Note	30 September 2013 HK$'000 (unaudited)	31 March 2013 HK$'000 (audited)
Current liabilities			
Trade and bills payables	*12*	**130,473**	104,253
Accruals and other payables		**82,428**	71,215
Amounts due to non-controlling shareholders		**13,121**	11,770
Short-term bank borrowings		**254,292**	162,280
Current tax liabilities		**7,453**	9,437
Current portion of long-term borrowings		**61,383**	112,913
Amount due to a director		**135**	135
		549,285	472,003
Net current assets		**113,320**	63,159
Total assets less current liabilities		**668,403**	614,469
Non-current liabilities			
Amounts due to non-controlling shareholders		**7,687**	8,805
Long-term borrowings		**52,917**	16,513
Deferred tax liabilities		**5,698**	5,612
		66,302	30,930
NET ASSETS		**602,101**	583,539
Capital and reserves			
Share capital		**3,623**	3,623
Reserves		**585,212**	564,791
Equity attributable to owners of the Company		**588,835**	568,414
Non-controlling interests		**13,266**	15,125
		602,101	583,539

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited 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 unaudited condensed financial statements should be read in conjunction with the 2013 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2013 except as stated below.

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standard ("**HKFRS**") issued by the HKICPA.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income;
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle;
Amendments to HKFRS 1	Government loans;
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities;
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance;
HKFRS 10	Consolidated Financial Statements;
HKFRS 11	Joint Arrangements;
HKFRS 12	Disclosure of Interests in Other Entities;
HKFRS 13	Fair Value Measurement;
HKAS 19 (as revised in 2011)	Employee Benefits;
HKAS 27 (as revised in 2011)	Separate Financial Statements;
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures; and
HK(International Financial Reporting Interpretations Committee)–Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine.

Except as described below, the application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. 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 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 do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

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 amendments to HKFRS 7 are effective 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.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and 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, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

Amendments to HKAS 34 Interim Financial Reporting
(as part of the Annual Improvements to HKFRSs 2009–2011 Cycle)

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

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 three reportable segments as follows:

Corrugated products	—	manufacture and sale of corrugated board and corrugated paper-based packing products;
Offset printed corrugated products	—	manufacture and sale of offset printed corrugated products; and
Properties leasing	—	properties leased in Hong Kong for rental income.

Segment revenues and results

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

For the six months ended 30 September 2013

	Corrugated products *HK$'000* **(unaudited)**	**Offset printed corrugated products** *HK$'000* **(unaudited)**	**Properties leasing** *HK$'000* **(unaudited)**	**Elimination** *HK$'000* **(unaudited)**	**Total** *HK$'000* **(unaudited)**
Segment revenue					
External sales	**355,909**	**74,011**	**–**	**–**	**429,920**
Inter-segment sales	**4,905**	**13,138**	**–**	**(18,043)**	**–**
Total	**360,814**	**87,149**	**–**	**(18,043)**	**429,920**
Segment results	**11,550**	**5,923**	**5,050**		**22,523**
Interest income					**630**
Fair value changes of held for trading investments					**(744)**
Fair value changes of derivative financial instruments					**5,114**
Fair value changes of financial assets designated as at fair value through profit or loss ("**FVTPL**")					**(2,041)**
Income from structured foreign currency forward contracts					**3,967**
Income from structured deposits					**621**
Corporate income and expenses					**(10,925)**
Profit before tax					**19,145**

For the six months ended 30 September 2012

	Corrugated products *HK$'000* (unaudited) (restated)	Offset printed corrugated products *HK$'000* (unaudited)	Properties leasing *HK$'000* (unaudited) (restated)	Elimination *HK$'000* (unaudited)	Total *HK$'000* (unaudited) (restated)
Segment revenue					
External sales	333,520	64,964	–	–	398,484
Inter-segment sales	10,132	10,529	–	(20,661)	–
Total	343,652	75,493	–	(20,661)	398,484
Segment result	19,414	841	333		20,588
Interest income					1,159
Fair value changes of derivative financial instruments					(1,950)
Fair value changes of held for trading investments					(928)
Fair value changes of financial assets designated as at FVTPL					244
Gain on disposal of derivative financial instruments					106
Income from structured foreign currency forward contracts					704
Income from structured deposits					200
Corporate income and expenses					(9,982)
Profit before tax					10,141

The accounting policies of the operating segments are the same as the Group's accounting policies described in preparing the 2013 financial statement of the Group. Segment profits or losses represented the profit earned/loss from each segment without allocation of 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 investments, gain on disposal of derivative financial instruments, income from structured foreign currency forward contracts, income from structured deposits, 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:

	Corrugated products ***HK$'000*** **(unaudited)**	**Offset printed corrugated products** ***HK$'000*** **(unaudited)**	**Properties leasing** ***HK$'000*** **(unaudited)**	**Total** ***HK$'000*** **(unaudited)**
At 30 September 2013				
Segment assets	**814,239**	**106,521**	**186,497**	**1,107,257**
Segment liabilities	**182,396**	**23,221**	**1,146**	**206,763**

	Corrugated products *HK$'000* (audited)	Offset printed corrugated products *HK$'000* (audited)	Properties leasing *HK$'000* (audited)	Total *HK$'000* (audited)
At 31 March 2013				
Segment assets	677,815	97,404	184,307	959,526
Segment liabilities	145,898	25,682	1,132	172,712

All assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment properties for capital appreciation purposes, goodwill, intangible assets, club membership, amounts due from non-controlling shareholders, amounts due from indemnifiers, held for trading investments, bank balances managed on central basis, available-for-sale investment, derivative financial instruments, financial assets designated as at FVTPL and corporate assets.

All liabilities are allocated to segments other than current tax liabilities, deferred tax liabilities, amounts due to non-controlling shareholders, borrowings, amount due to a director and corporate liabilities.

4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Fair value changes of derivative financial instruments	**5,114**	(1,950)
Fair value changes of held for trading investments	**(744)**	(928)
Fair value changes of financial assets designated as at FVTPL	**(2,041)**	244
Fair value changes of investment properties	**3,100**	–
Gain on disposal of derivative financial instruments	**–**	106
Income from structured foreign currency forward contracts	**3,967**	704
Income from structure deposits	**621**	200
	10,017	(1,624)

5. FINANCE COSTS

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
bank borrowings		
— wholly repayable within five years	**3,618**	2,947
other loans		
— wholly repayable within five years	**220**	227
amount due to a non-controlling interest		
— not wholly repayable within five years	**319**	311
	4,157	3,485

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
Current tax	**916**	236
PRC enterprise income tax ("**EIT**")		
Current tax	**1,259**	1,126
	2,175	1,362

Hong Kong Profits Tax is calculated at 16.5% (2012: 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 (the "**IRD**"), that Wah Ming conducted its manufacturing operations by entering into contract processing arrangements with a processing factory in the People's Republic of China (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 period is earned by the Macau subsidiaries of the Group incorporated under the Macao Special Administrative Region's Offshore Law. Pursuant to the Macao Special Administrative Region'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 EIT law passed by the Tenth National People's Congress introduced 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's 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.

In prior years, the IRD has 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 financial 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.

The IRD has issued estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 amounted to approximately HK$25,400,000 to five subsidiaries of the Group in aggregate in previous years. The Group has made objections to the IRD on those estimated assessments and purchased tax reserve certificates amounting to HK$3,500,000. The IRD has held over the payment of profits tax of approximately HK$14,817,000.

During the year ended 31 March 2013, the Group reached a settlement agreement with the IRD for two subsidiaries of the Group for the years of assessment 2002/03 to 2008/09 for a total sum of profits tax of approximately HK$17,566,000 and related tax penalties and interests in aggregate of approximately HK$2,311,000. Accordingly, an additional profits tax of approximately HK$13,529,000 and related tax penalties and interests in aggregate of approximately HK$2,311,000 were recognised as income tax expenses and other operating expenses respectively.

For the remaining three subsidiaries of the Group with estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 of approximately HK$6,734,000, whole amount of estimated assessments has been held over by the IRD and no further profits tax has been levied up to date.

Pursuant to the deed of indemnity dated 13 February 2009, Perfect Group, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam (shareholders of the Company and collectively referred to as the "**Indemnifiers**") have given indemnities among taxation and related penalty and liability resulting from any income, profits or gains earned, accrued or received on or before the date of the Listing, which might be payable by any member of the Group (the "**Tax Indemnity**"). Pursuant to the above arrangement, Mr. Chong, acting on behalf of the Indemnifiers, agreed to settle the additional tax and related tax penalties and interests in aggregate of approximately HK$15,840,000 as abovementioned to the Group. During the year ended 31 March 2013, approximately HK$12,681,000 was settled. Further details of the Tax Indemnity are set out in the Company's prospectus for the Listing issued on 16 February 2009.

The Group is still waiting for further comment from the IRD at the end of the reporting period. In the opinion of the directors, as at 30 September 2013, the provision for taxation made in the consolidated financial statements is sufficient and not excessive.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the followings:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation for property, plant and equipment	**13,262**	13,871
Amortisation of prepaid lease payments	**833**	636
Amortisation of intangible assets	**1,618**	–
Total depreciation and amortisation	**15,713**	14,507
Auditors' remuneration	**–**	–
Cost of inventories sold*	**336,520**	318,476
Operating lease charges in respect of land and buildings	**8,972**	8,804
Net foreign exchange loss	**2,690**	214
Staff costs		
Directors' emoluments	**2,580**	2,702
Other staff salaries, bonus and allowances	**62,167**	49,607
Retirement benefits scheme contributions (excluding directors)	**3,013**	2,254
	67,760	54,563

* Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$56,505,000 (2012: HK$48,277,000) which are included in the amounts disclosed separately above.

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 for the six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period attributable to owners of the Company	**19,179**	9,766

	Number of shares at 30 September	
	2013	2012
	(unaudited)	(unaudited)
Weighted average number of ordinary shares at end of period	**362,300,000**	362,300,000

The computation of diluted earnings per share does not assume the following:

(a) the exercise of all (six months ended 30 September 2012: all) of the Company's share options and warrants because the exercise prices of those options and warrants were higher than the average market price of shares for the periods ended 30 September 2013 and 2012; and

(b) the issuance of the Consideration Shares because the TSGL's Profit Amount did not equal to or exceed the TSGL's Guaranteed Amount for the period ended 30 September 2013 (2012: nil) (referred to Note 13(a) for details).

9. DIVIDEND

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividend recognised as distribution during the period		
2013 Final dividend — HK2.2 cents (2012: HK1.2 cents) per share	**7,971**	4,348

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2013, the Group acquired property, plant and equipment of approximately HK$7,057,000.

11. 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 2013	31 March 2013
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables:		
Not yet due for settlement	**182,702**	144,831
Overdue:		
1 to 30 days	**22,399**	16,808
31 to 90 days	**7,595**	27,941
91 to 365 days	**3,838**	2,693
Over 1 year	**11,392**	11,694
	227,926	203,967
Less: Allowance for doubtful debts	**(11,231)**	(11,140)
	216,695	192,827
Bills receivables	**7,820**	2,740
	224,515	195,567

12. TRADE AND BILLS PAYABLES

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

	30 September 2013 *HK\$'000* **(unaudited)**	31 March 2013 *HK\$'000* (audited)
Trade payables:		
0 to 30 days	**57,289**	52,823
31 to 90 days	**888**	1,050
Over 90 days	**499**	1,030
	58,676	54,903
Bills payables	**71,797**	49,350
	130,473	104,253

13. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Think Speed Group Limited

On 21 June 2012, Fortune Port Technology Limited ("**Fortune Port**"), a wholly-owned subsidiary of the Company, acquired 51% equity interest in Think Speed Group Limited ("**TSGL**") at a total consideration of HK$22,421,000. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK$16,482,000. TSGL is principally engaged in development and design of online games and operating online game website (www.caplay.com), and development, design and provision of iTools, a synchronisation software for mobile products and operating website(s). Details are set out in the Company's announcement dated 10 November 2011, 6 January 2012, 4 May 2012, 18 June 2012 and 21 June 2012.

Acquisition-related costs amounting to approximately HK$432,000 have been excluded from the consideration transferred and have been recognised as an expense in the year ended 31 March 2013, within the administrative expenses in the consolidated income statement.

The consolidated net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amounts before combination *HK$'000*	Fair value adjustments *HK$'000*	Fair value *HK$'000*
Property, plant and equipment	77	–	77
Intangible assets	–	9,708	9,708
Prepayments, deposits and other receivables	2,522	–	2,522
Amounts due from shareholders	17	–	17
Bank and cash balances	394	–	394
Trade payables	(514)	–	(514)
Accruals and other payables	(4,976)	–	(4,976)
Amount due to a director	(261)	–	(261)
Deferred tax liabilities	–	(1,602)	(1,602)
Net identifiable assets and liabilities	(2,741)	8,106	5,365
Non-controlling interests			(2,629)
Goodwill			16,482
Consideration transferred			19,218
Satisfied by:			
Cash			14,560
Contingent consideration arrangements:			
— 8,639,000 Consideration Shares as contingent consideration			7,861
— Fair value of profit guarantee			(3,203)
			19,218
Net cash outflow arising on acquisition:			
Cash consideration			14,560
Less: Cash and cash equivalents acquired			(394)
Utilisation of deposit paid as at 31 March 2012			(10,000)
			4,166

Pursuant to the sales and purchase agreement in relation to the acquisition of TSGL (the "**TSGL's Agreement**"), if the audited completion accounts of TSGL at an agreed date, i.e. 20 June 2012, shows that the net assets value ("**NAV**") is less than the NAV as shown in the management accounts of TSGL at 31 March 2012, the consideration payable by the Group to Deson Technology Limited ("**TSGL's Vendor**") shall be reduced by an amount equivalent to the amount of such difference in the NAV on a dollar-for-dollar basis. In such event, balance of the consideration shall be adjusted first by way of reducing the number of 10,570,000 shares (the "**Consideration Shares**") to be issued to the TSGL's Vendor with no adjustment to the issue price. Since the audited NAV on 20 June 2012 are below the NAV of the management accounts on 31 March 2012, the Consideration Shares are adjusted from 10,570,000 shares to 8,639,000 shares.

Furthermore, pursuant to the terms of the supplemental agreement (the "**TSGL's Supplemental Agreement**"), the TSGL's Vendor and certain guarantors (the "**TSGL's Guarantors**") undertake to Fortune Port that the aggregate of the audited consolidated net profit of TSGL for the two years ending 31 March 2014 (the "**TSGL's Profit Amount**") shall not be less than HK$20,000,000 (the "**TSGL's**

Guaranteed amount") (the "**TSGL's Profit Guarantee**"). In the event that the TSGL's Profit Amount is less than the TSGL's Guaranteed Amount, the TSGL's Vendor and the TSGL's Guarantors shall jointly and severally pay to Fortune Port a sum equivalent to the amount of the cash consideration (HK$14,560,000). In the event that, pursuant to the TSGL's Agreement, the TSGL's Profit Amount equals to or exceeds the TSGL's Guaranteed Amount, Fortune Port shall procure the Company to issue and allot the Consideration Shares to the TSGL's Vendor or its nominee free of charge despite the issue price to satisfy the balance of the consideration.

Pursuant to the put option deed entered between TSGL's Vendor and Fortune Port on 21 June 2012, TSGL's Vendor grants to Fortune Port a put option (the "**TSGL's Put Option**") at a consideration of HK$1 from the date of the put option deed to 31 December 2014 to require TSGL's Vendor to purchase from Fortune Port the 51% equity shares in TSGL which Fortune Port has originally purchased under the TSGL's Agreement at an option price of HK$14,560,000 if any of the agreements in respect of (i) the management of 80.01% of the equity interest in Shenzhen Thinksky Technology Co., Ltd ("**Shenzhen Thinksky**") executed by Magic Thinksky Limited, a 51% indirectly owned subsidiary of the Company, on behalf of the legal owners of those equity and/or (ii) the grant of the operative rights to promote, sell, engage in marketing and operate the business of provision of the software management and synchronisation software owned by Shenzhen Thinksky including without limitation to iTools in the regions outside the PRC and the absolute right and interest of TSGL to receive 70% profit sharing generated from such business to TSGL, being terminated, invalid or illegal or otherwise and unenforceable.

Pursuant to the TSGL's Supplementary Agreement, if TSGL's Vendor and the TSGL's Guarantors have paid the sum of HK$14,560,000 in relation to the TSGL's Profit Guarantee, the TSGL's Put Option shall automatically lapse.

As at acquisition date and 31 March 2013, the TSGL's Put Option has been valued as no value. As a result, no related financial instrument has been recognised.

Pursuant to the announcement dated 17 October 2013, the Group has been orally notified by the owners (the "**SZ Thinksky Owners**") of the 80.01% of the equity interest in Shenzhen Thinksky of their intention to terminate the management agreement and other related documents entered into between Magic Thinksky and the SZ Thinksky Owners in respect of the management of the equity interest in Shenzhen Thinksky held by the SZ Thinksky Owners (the "**the Possible Termination**"). The Possible Termination contributes uncertainties to the occurrence of the put option, therefore, on 30 September 2013, the put option has been valued as approximately HK$2,789,000 and recognised a fair value gain on derivative financial instruments.

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.

Goodwill arose in the acquisition of TSGL because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of revenue growth and future market development for entering into the rapid growing online games, internet and mobile internet business.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

During the six months ended 30 September 2013, TSGL contributed net amount of approximately HK$548,000 (six months ended 30 September 2012: approximately HK$339,000) to the Group's other income, loss of approximately HK$1,424,000 (six months ended 30 September 2012: approximately HK$1,610,000) to the Group's profit and no contribution to the Group's turnover.

(b) Acquisition of Sky Achiever Holdings Limited

On 31 December 2012, Jumbo Match Limited ("**Jumbo Match**"), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Sky Achiever Holdings Limited ("**SAH**") at a total consideration of HK$20,000,000. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK$11,631,000. SAH is principally engaged in production of molded pulp products.

Acquisition-related costs amounting to HK$170,000 have been excluded from the consideration transferred and have been recognised as an expense in the year ended 31 March 2013, within the administrative expenses in the consolidated income statement.

The consolidated net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amounts before combination *HK$'000*	**Fair value adjustments** *HK$'000*	**Fair value** *HK$'000*
Property, plant and equipment	3,443	–	3,443
Trade receivables	25,045	–	25,045
Prepayments, deposits and other receivables	3,774	–	3,774
Inventories	1,449	–	1,449
Bank and cash balances	3,794	–	3,794
Trade payables	(2,632)	–	(2,632)
Other payables	(25,689)	–	(25,689)
Tax payable	(1,383)	–	(1,383)
Net identifiable assets and liabilities	7,801	–	7,801
Goodwill			11,631
Consideration transferred			19,432
Satisfied by:			
Cash			20,000
Contingent consideration arrangement:			
— Fair value of profit guarantee			(568)
			19,432
Net cash inflow arising on acquisition:			
Cash consideration			20,000
Less: Cash and cash equivalents acquired			(3,794)
Utilisation of deposit paid as at 31 March 2012			(20,000)
			(3,794)

Pursuant to the SAH's Agreement, each of the consolidated net profit before tax of SAH for the three years ending 31 March 2015 shall not be less than HK$5,000,000 (the "**SAH's Profit Guarantee**"). The shortfall from HK$5,000,000 shall be paid by the ultimate beneficial owner of SAH's Vendor to the Group.

Pursuant to the SAH's Agreement, SAH's Vendor has granted Jumbo Match a put option (the "**SAH's Put Option**") at nil consideration within 3 months from the audit report date for the year ended 31 March 2013 to require SAH's Vendor to purchase from Jumbo Match the 100% equity shares in SAH which Jumbo Match has originally purchased under the SAH's Agreement at an option price of HK$20,000,000 if SAH has no net profit for the year ended 31 March 2013.

The SAH's Put Option has been valued as no value. As a result, no related financial instrument has been recognised. In addition, SAH has generated audited net profit for the year ended 31 March 2013 and therefore the SAH's Put Option has lapsed on 31 March 2013.

Goodwill arose in the acquisition of SAH because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development, assembled workforce, customer relationship and technical knowhow of SAH. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

SAH contributed approximately HK$29,459,000 to the Group's turnover and profit of approximately HK$4,634,000 to the Group's profit for the six months ended 30 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the six months ended 30 September 2013 ("**the Period**"), the global economic growth remained sluggish as massive public debts, insufficient institutional reforms and the U.S. Federal Reserve's hint at a stimulus exit has been haunting the world's recovery. For the PRC, constrained by the unsteady global economic environment and economic restructuring, its Gross Domestic Product growth rate has decreased to 7.6% from 7.8% during the first half of 2013, according to the National Bureau of Statistics of China. Yet, according to China Market Research Reports and Consulting Services Platform, the production volume of corrugated paper packaging products reached 19.0 million tons during the first 8 months of 2013, representing an increase of 4.86% from the corresponding period in 2012, which shows a steady growth of the industry.

Business Review

During the Period, the Group's turnover increased by approximately 7.9%, as compared to the same period last year. The increase is mainly contributed from the PRC domestic sales, which grew by approximately 23.0%, while the revenue generated from domestic delivery export and direct export sales to Hong Kong dropped by approximately 5.7% and 13.4% respectively as compared to the same period last year.

The increase in the Group's revenue is in line with the increase in proportion to sales in the high value-added products. The Group continued to provide quality products to the customers, and hence good relationships with the customers are built. Recently, the Group noted that the demand in structural packaging design and high compressive strength packaging products is increasing among the high-end customers, the customers of well-known brands from various industries. Therefore, the Group focused on the high value-added product sales during the Period, such sales not only enabling the Group to earn a higher profit margin, but also securing the orders from the high-end customers.

In addition to securing the sales orders and enhancing the customer and product mix, the Group kept a stringent internal cost control continuously. With the prudent production procedure and financial management, the Group's production efficiency was enhanced, and the solid financial foundation is maintained during the Period despite the economic uncertainty.

Result of Operation

	For the six months ended 30 September			
	2013		2012	
	HK$'000	***(%)***	*HK$'000*	*(%)*
Paper Packaging and Printing				
PRC domestic sales	**238,094**	**55.4**	193,515	48.5
Domestic delivery export	**175,677**	**40.8**	186,311	46.7
Direct export	**16,149**	**3.8**	18,658	4.8
	429,920		398,484	
Gross profit margin		**21.7**		20.1
Net profit margin		**3.9**		2.2

Revenue

For the six months ended 30 September 2013, the revenue of the Group increased to approximately HK$429.9 million, from approximately HK$398.5 million for the same period last year.

Guangdong operation

The revenue generated from the operations in Guangdong increased by 9.6% from approximately HK$352.0 million in 2012 to approximately HK$385.8 million for the Period.

During the Period, the Group continued its effort on developing the high value-added products, specialized and structural designed packaging, and hence the average selling price for printed cartons and other paper-wares increased sharply by 33.4%. As a result, although the sales volume dropped by 12.4% during the Period, the corresponding revenue lifted up by 16.9% to approximately HK$330.6 million, from approximately HK$282.9 million for the corresponding period in 2012.

Jiangxi operation

The operation in Jiangxi contributed approximately HK$44.2 million revenue to the Group, which has decreased by 4.9% from approximately HK$46.5 million for the same period last year.

Gross Profit

Benefit from the prudent internal cost control, as well as the change in sales mix, in which proportion of the sales on carton and other paper-wares and high value-added products has been increased, the gross profit for the Group increased continuously by 16.8% during the Period, from approximately HK$80.0 million for the six months ended 2012 to approximately HK$93.4 million for the Period, and the Group's gross profit margins improved from 20.1% to 21.7%.

Guangdong operation

During the Period, Shenzhen operation continued to contribute the highest level of gross profit. The gross profit attributable to the operation of Guangdong increased to approximately HK$85.2 million from approximately HK$70.9 million in same period last year, the gross profit margin improved from 20.1% to 22.1%.

Jiangxi operation

The gross profit of the Jiangxi operation dropped in line with the corresponding revenue during the Period. The gross profit and gross margin of the operation in Jiangxi decreased from approximately HK$9.1 million and 19.7% for the six months ended 2012 to approximately HK$8.2 million and 18.5% for the Period. Since the commencement of the Jiangxi operation in 2010, the Group develops the operation continuously by market penetration through enhancing business network with our experienced sales team, and actively participate in the production management to enhance the operation efficiency. The Group believes the operation will be further improved with more sales order and increased demand of the high-value products in the surrounding areas.

Selling and Administrative expenses

In addition to the rapid inflation in the PRC, with the continuous increase in sales order, the goods delivery expenses rose accordingly. Therefore, the selling and distribution expenses increased by 21.7% during the Period, from approximately HK$19.8 million in the same period last year to approximately HK$24.1 million for the Period.

Due mainly to the increase of salaries and allowance and the amortisation of intangible assets arising from the acquisition of Think Speed Group Limited, and approximately HK$2.9 million and HK$1.5 million administrative expenses attributed to Sky Achiever Holdings Limited and Think Speed Group Limited respectively, the administrative expenses increased by 24.8% from approximately HK$47.5 million in the same period last year to approximately HK$59.3 million during the Period.

Finance Costs

Additional bank loans were raised for finance of investment properties during second half of the year ended 31 March 2013 and additional bank loans were raised for the working capital of PRC operations during the Period. Hence, the finance cost increased from approximately HK$3.5 million for the same period last year to approximately HK$4.2 million for the Period.

Working Capital

	30 September 2013	31 March 2013
Trade and bills receivable	**89**	91
Trade and bills payable	**64**	65
Inventories	**48**	55
Cash conversion cycle*	**73**	81

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

Trade and bills receivables increased with the revenue during the Period to approximately HK$224.5 million as at 30 September 2013, increased by 14.8% against approximately HK$195.6 million as at 31 March 2013. Trade and bills receivables turnover days improved to 89 days as at 30 September 2013 (as at 31 March 2013: 91 days).

Trade and bills payables increased from approximately HK$104.3 million as at 31 March 2013 to approximately HK$130.5 million as at 30 September 2013. With effective funds management, the trade and bills payables turnover days remains stable at 64 days compared to 65 days as at 31 March 2013.

The Group has implemented a stringent inventories control to reduce the holding risk. While the inventories carried a total worth of approximately HK$88.7 million as at 30 September 2013, slightly less than the amount as at 31 March 2013, approximately HK$89.5 million, the inventories turnover dropped by 7 days to 48 days compared to 55 days as at 31 March 2013.

Liquidity risk is reduced with the Group's improved operation effectiveness. The cash conversion cycle of the Group was reduced to 73 days as at 30 September 2013 compared to 81 days as at 31 March 2013.

Liquidity and Financial Resources

	30 September 2013	31 March 2013
Current ratio	**1.2**	1.1
Gearing ratio	**30.3%**	26.8%

During the Period, the principal sources of working capital of the Group were the cash flow from operating activities and bank borrowings. As at 30 September 2013, 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$127.1 million (as at 31 March 2013: approximately HK$126.3 million), excluding pledged deposit of HK$119.2 million (as at 31 March 2013: approximately HK$21.0 million), and the unused banking facilities, excluding the treasury line, was approximately HK$345.4 million.

The current assets and current liabilities increased from approximately HK$535.2 million and approximately HK$472.0 million as at 31 March 2013 to approximately HK$662.6 million and approximately HK$549.3 million as at 30 September 2013 respectively. Current ratio (current assets divided by current liabilities) improved slightly from 1.1 as at 31 March 2013 to 1.2 as at 30 September 2013.

As at 30 September 2013, the Group maintained a healthy liquidity position and possessed sufficient cash and banking facilities to meet the working capital requirement for existing operations and to finance new plant investment. Total outstanding bank borrowings and other borrowings increased from approximately HK$291.7 million as at 31 March 2013 to approximately HK$368.6 million as at 30 September 2013. Additional bank loans were raised mainly for the working capital of PRC operations. The gearing ratio (total borrowings divided by total assets) increased from 26.8% as at 31 March 2013 to 30.3% as at 30 September 2013. During the Period, all bank borrowings of the Group carried floating interest rates and were secured, of which approximately HK$287.6 million was repayable within one year and approximately HK$72.2 million was repayable within two to more than five years, whereas the other loans of approximately HK$8.8 million carried a fixed interest of 5.0% and were unsecured and repayable on demand. As at 30 September 2013, all the bank borrowings are denominated in Hong Kong dollars, and the other loans are denominated in Renminbi.

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 member of the Group. As at 30 September 2013, the Group maintained USD6.5 million forward contracts and increased Renminbi deposit during the Period to reduce the exchange risk. 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 30 September 2013, the Group pledged certain assets including bank deposits, prepaid land lease payment, buildings and investment properties with aggregate net book value of approximately HK$339.5 million (as at 31 March 2013: approximately HK$238.5 million) to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 30 September 2013, the Group's capital expenditure contracted but not provided for regarding property, plant and equipment was approximately HK$1.3 million (as at 31 March 2013: approximately HK$3.0 million).

As at 30 September 2013, the Group did not have any capital expenditure authorised but not contracted for (as at 31 March 2013: Nil).

As at 30 September 2013, the Group had no significant contingent liabilities (as at 31 March 2013: Nil).

Employees and Remuneration

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. During the Period, the total staff cost included directors' emolument amounted to approximately HK$67.8 million (six month ended 30 September 2012: approximately HK$54.6 million).

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 performance, the Group's results, qualification, competence and the prevailing market condition.

As at 30 September 2013, the Group employed 1,649 employees (as at 31 March 2013: 1,702). Competitive remuneration packages and relevant training were offered to employees.

Prospect

Due to the uncertain global economy, with weak demand and rising raw materials and labour costs, the market sentiment remains poor. Yet, it occurs as an opportunity to the Group with a shakeout in the corrugated packaging industry. The closures of weaker players and the resulting consolidation should provide relief to the over-supply situation in the PRC. We look forward to the market with higher standards and we will continuously provide value-added services, such as structural design and logistics management, which can differentiate the Group from other suppliers in the industry.

The domestic consumption market is expanding continuously and the Group will continue to enhance the product mix, expand market share and solidify our market position. We will also improve production efficiency, in order to meet the future surging demand and maximize returns for our shareholders. According to the Group's capacity expansion plan, upon the commencement of the operation of the Fujian plant, the total production capacity of the Group will reach more than 500 million square meters of corrugated paperboard and more than 400 million pieces of corrugated paper-based packaging products. The enhanced product capacity will support the Group to become one of the largest suppliers in the corrugated packaging industry in the PRC.

With the return of inflation pressures, the Group will continuously adopt prudent approach to cost control with internal operation management to ensure effective resource usage and a solid financial foundation for the Group's long term development. The Group will continue to develop potential markets, and strive to improve the profits with the value-added services and exclusive product mix.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the Period, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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

The Company has complied with the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Period.

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 Period.

AUDIT COMMITTEE

The main duties of the audit committee of the Company (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 Period, including the accounting principles and practices adopted, internal controls and financial reporting matters.

EVENTS AFTER THE REPORTING PERIOD

No significant events occurring after the end of reporting period.

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 2013.

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 despatched 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, 29 November 2013

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. LUK Kwok Tung, Eric; and three independent non-executive Directors, namely Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun.