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 2016

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, the "**Group**") for the six months ended 30 September 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 September 2016

		Six months ended 30 September	
		2016	2015
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**388,288**	426,764
Cost of goods sold		**(302,204)**	(340,969)
Gross profit		**86,084**	86,000
Other income		**4,931**	7,324
Other gains and losses	*4*	**(8,380)**	(44,171)
Selling expenses		**(23,353)**	(21,993)
Administrative expenses		**(47,961)**	(55,429)
Other operating income (expenses)		**2,954**	(2)
Profit (loss) from operations		**14,275**	(28,476)
Finance costs	*5*	**(5,595)**	(5,766)
Profit (loss) before tax		**8,680**	(34,242)
Income tax expense	*6*	**(3,633)**	(2,953)
Profit (loss) for the period	*7*	**5,047**	(37,195)
Profit (loss) for the period attributable to:			
Owners of the Company		**5,483**	(35,328)
Non-controlling interests		**(436)**	(1,867)
		5,047	(37,195)
Earnings (loss) per share	*8*		
Basic and diluted		**1.51 cents**	(9.75) cents
Dividend	*9*	**–**	–

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (loss) for the period	**5,047**	(37,195)
Other comprehensive expenses for the period:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(17,432)**	(19,767)
Total comprehensive expenses	**(12,385)**	(56,962)
Total comprehensive expenses for the period attributable to:		
Owners of the Company	**(11,164)**	(54,266)
Non-controlling interests	**(1,221)**	(2,696)
	(12,385)	(56,962)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	**30 September 2016** ***HK$'000*** **(unaudited)**	31 March 2016 *HK$'000* (audited)
Non-current assets			
Prepaid lease payments		**61,240**	64,041
Property, plant and equipment	*10*	**305,265**	283,125
Investment properties		**208,100**	208,180
Goodwill		**11,631**	11,631
Intangible assets		**–**	–
Deposits paid for acquisition of property, plant and equipment		**782**	23,832
Available-for-sale investment		**10,567**	10,609
Club membership		**366**	366
		597,951	601,784
Current assets			
Inventories		**73,706**	68,057
Trade and bills receivables	*11*	**201,066**	198,112
Prepayments, deposits and other receivables		**29,376**	24,527
Amounts due from non-controlling shareholders		**29**	29
Prepaid lease payments		**1,479**	1,528
Tax recoverable		**–**	285
Financial assets designated as at fair value through profit or loss ("FVTPL")		**19,268**	53,301
Held for trading investments		**30,987**	36,493
Pledged bank deposits		**111,401**	135,640
Bank and cash balances		**183,371**	121,867
		650,683	639,839
Current liabilities			
Trade and bills payables	*12*	**104,077**	99,126
Accruals and other payables		**94,688**	81,807
Amounts due to non-controlling shareholders		**29,459**	27,886
Short-term borrowings		**320,044**	326,648
Current tax liabilities		**23,904**	22,350
Derivative financial instruments		**11,106**	13,831
Current portion of long-term borrowings		**125,201**	114,851
		708,479	686,499
Net current assets		**(57,796)**	(46,660)
Total assets less current liabilities		**540,155**	555,124

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
As at 30 September 2016

	30 September 2016 *HK$'000* **(unaudited)**	31 March 2016 *HK$'000* (audited)
Non-current liabilities		
Amounts due to non-controlling shareholders	**2,937**	4,627
Long-term borrowings	**7,904**	8,671
Deferred tax liabilities	**3,933**	4,060
	14,774	17,358
NET ASSETS	**525,381**	537,766
Capital and reserves		
Share capital	**3,623**	3,623
Reserves	**520,799**	531,963
Equity attributable to owners of the Company	**524,422**	535,586
Non-controlling interests	**959**	2,180
	525,381	537,766

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 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 consolidated financial statements should be read in conjunction with the 2016 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2016 except as stated in note 2.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, financial assets designated as at FVTPL, held for trading investments and derivative financial instruments which were measured at fair value of the reporting date.

2. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant for the preparation of the Group's consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENTAL INFORMATION

Revenue of the Group represents net invoiced value of goods sold and gross rental income from properties leased in Hong Kong 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.

3. **REVENUE AND SEGMENTAL INFORMATION (Continued)**

Segment revenues and results

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

For the six months ended 30 September 2016

	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	312,024	74,151	–	–	386,175
Inter-segment sales	14,024	5,040	–	(19,064)	–
Gross rental income	–	–	2,113	–	2,113
Total	326,048	79,191	2,113	(19,064)	388,288
Segment results	17,869	5,496	594		23,959
Interest income					1,704
Fair value changes of derivative financial instruments					2,725
Fair value changes of held for trading investments					(4,841)
Fair value changes of financial assets designated as at FVTPL					136
Dividend income from held for trading investments					376
Expense on structured foreign currency forward contracts					(7,026)
Income from structured deposits					672
Loss on disposal of held for trading investments					(65)
Gain on disposal of financial assets designated as at FVTPL					99
Finance costs					(5,595)
Corporate income and expenses					(3,464)
Profit before tax					8,680

3. REVENUE AND SEGMENTAL INFORMATION (Continued)

For the six months ended 30 September 2015

	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	344,291	80,122	–	–	424,413
Inter-segment sales	11,315	5,184	–	(16,499)	–
Gross rental income	–	–	2,351	–	2,351
Total	355,606	85,306	2,351	(16,499)	426,764
Segment results	8,134	7,976	8,472		24,582
Interest income					4,903
Fair value changes of derivative financial instruments					(26,725)
Fair value changes of held for trading investments					(26,579)
Fair value changes of financial assets designated as at FVTPL					3
Dividend income from held for trading investments					38
Income from structured foreign currency forward contracts					2,986
Income from structured deposits					711
Loss on disposal of held for trading investments					(907)
Finance costs					(5,766)
Corporate income and expenses					(7,488)
Loss before tax					(34,242)

The accounting policies of the operating segments are the same as the Group's accounting policies as described in the 2016 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 held for trading investments, fair value changes of financial assets designated as at FVTPL, dividend income from held for trading investment, income from/expense on structured foreign currency forward contracts, income from structured deposits, loss on disposal of held for trading investments, gain on disposal of financial assets designated as at FVTPL, finance costs and corporate income and expenses. For the purposes of resource allocation and performance assessment, segment profits or losses are reported to the chief operating decision maker as standards of assessment.

Inter-segment sales are charged at prevailing market rates.

3. REVENUE AND SEGMENTAL INFORMATION (Continued)

Segment assets and liabilities

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

	Corrugated products *HK$'000* (unaudited)	Offset printed corrugated products *HK$'000* (unaudited)	Properties leasing *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
At 30 September 2016				
Segment assets	**824,997**	**123,383**	**207,976**	**1,156,356**
Segment liabilities	**145,548**	**28,104**	**3,413**	**177,065**

	Corrugated products *HK$'000* (audited)	Offset printed corrugated products *HK$'000* (audited)	Properties leasing *HK$'000* (audited)	Total *HK$'000* (audited)
At 31 March 2016				
Segment assets	778,256	120,329	208,014	1,106,599
Segment liabilities	141,791	33,339	893	176,023

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, held for trading investments, bank balances managed on central basis, available-for-sale investment, financial assets designated as at FVTPL, tax recoverable and corporate assets.

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.

4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Fair value changes of derivative financial instruments	**2,725**	(26,725)
Fair value changes of held for trading investments	**(4,841)**	(26,579)
Fair value changes of financial assets designated as at FVTPL	**136**	3
Fair value changes of investment properties	**(80)**	6,340
Loss on disposal of held for trading investments	**(65)**	(907)
Gain on disposal of financial assets designated as at FVTPL	**99**	–
(Expense on) income from structured foreign currency forward contracts	**(7,026)**	2,986
Income from structure deposits	**672**	711
	(8,380)	(44,171)

5. FINANCE COSTS

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
bank borrowings	**5,107**	5,233
other loans	**206**	219
amount due to a non-controlling interest	**282**	314
	5,595	5,766

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
Current tax	**1,666**	1,608
The People's Republic of China (the "**PRC**"/"**China**") enterprise income tax		
Current tax	**1,967**	1,345
	3,633	2,953

6. **INCOME TAX EXPENSE (Continued)**

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2015: 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 for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

A portion of the Group's profits/loss for the six months ended 30 September 2016 and 2015 were earned by the Macau subsidiaries of the Group incorporated under the Macao Special Administrative Region's ("**Macao SAR's**") Offshore Law. Pursuant to the Macao SAR's Offshore Law, such portion of profits is exempted from Macau complimentary tax. Further, in the opinion of the Directors, that portion of the Group's profits is not at present subject to taxation in any other jurisdiction in which the Group operates.

7. **PROFIT (LOSS) FOR THE PERIOD**

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

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation for property, plant and equipment	**13,054**	13,884
Amortisation of prepaid lease payments	**746**	795
Total depreciation and amortisation	**13,800**	14,679
Auditors' remuneration	**–**	–
Cost of inventories sold*	**302,204**	340,969
Operating lease charges in respect of land and buildings	**10,154**	10,600
Net foreign exchange loss (gain)	**237**	(1,354)
Staff costs		
Directors' emoluments	**2,337**	2,985
Other staff salaries, bonus and allowances	**55,327**	64,218
Retirement benefits scheme contributions (excluding directors)	**3,534**	4,213
	61,198	71,416

* Cost of inventories sold includes staff costs, depreciation and operating lease charges totalling to approximately HK$51,471,000 (for the six months ended 30 September 2015: approximately HK$59,265,000) which was included in the amounts disclosed separately above.

8. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to owners of the Company was based on the following data:

	Earnings (loss) for the Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (loss) for the period attributable to owners of the Company	**5,483**	(35,328)

	Number of shares at 30 September	
	2016	2015
	(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 exercise of the Company's share options because the exercise prices of those options were higher than the average market price of shares for the six months ended 30 September 2016 and 2015.

9. DIVIDEND

	Six months ended 30 September	
	2016	2015
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividend recognised as distribution during the period 2016 Final dividend — Nil (2015 Final dividend: HK5.5 cents per share)	**–**	19,921

The Board does not recommend any of interim dividend for the six months ended 30 September 2016 (six months ended 30 September 2015: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2016, the Group acquired property, plant and equipment of approximately HK$49,525,000.

11. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly by 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 2016 *HK$'000* **(unaudited)**	31 March 2016 *HK$'000* (audited)
Trade receivables:		
Not yet due for settlement	**175,207**	172,509
Overdue:		
1 to 30 days	**12,211**	5,897
31 to 90 days	**2,770**	7,589
91 to 365 days	**744**	2,813
Over 1 year	**16,559**	18,669
	207,491	207,477
Less: Allowance for doubtful debts	**(11,310)**	(14,590)
	196,181	192,887
Bills receivables	**4,885**	5,225
	201,066	198,112

12. TRADE AND BILLS PAYABLES

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

	30 September 2016 *HK$'000* **(unaudited)**	31 March 2016 *HK$'000* (audited)
Trade payables:		
0 to 30 days	**54,405**	41,067
31 to 90 days	**830**	1,037
Over 90 days	**651**	554
	55,886	42,658
Bills payables	**48,191**	56,468
	104,077	99,126

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

During the six months ended 30 September 2016 (the "**Period**"), the economic transformation and structure upgrades of the People's Republic of China (the "**PRC**" or "**China**") has been advancing at a slower pace and entering into the "new normal" stage with stable economic growth. According to the National Bureau of Statistics of China, the gross domestic product (the "**GDP**") growth rate in China was 6.7% for both second and third quarter of 2016, representing a slight year-on-year ("**YoY**") decrease of 0.2% and 0.3%, respectively. To stimulate the industry consumption sustainability, the PRC government implementing a green policies and phasing out the obsolete production capacities which resulted the problem of excessive supply relieved gradually. As reported by China Information Industry Net ("**CIIN**"), during the first eight months of 2016, the producer price index ("**PPI**") for paper packaging products maintained stable at approximately 99.5%, whereas the aggregated production volume of machine-made paper and paperboard increased by approximately 2.4%.

The rapid development of e-commerce and online shopping during the years has brought great potential for logistic industry as well as paper packaging industry. In addition, being recyclable, corrugated paper packaging products designed with advanced structure have been widely used to meet the increasing environmental friendly standards. Driven by such market trends, demand for corrugated paper packaging is expected to enter into a new phase of growth. Meanwhile, the PRC government has been taking great efforts on the transition to a low-carbon economy. Hence, corrugated paper packaging suppliers with strong capabilities will gradually stand out while the accelerated industry integration carries on. As one of the market leaders in the PRC, the Group is optimistic about the sustainable growth and development in corrugated paper packaging industry, given the variety of promising business opportunities.

Business Review

The Group's revenue during the Period was dragged mainly by the recent Renminbi ("**RMB**") depreciation. The Group's revenue decreased by approximately 9.0% to approximately HK$388.3 million during the Period from approximately HK$426.8 million for the six months ended 30 September 2015. In addition, to maintain its leading position in the PRC corrugated paper packaging industry, the Group, during the Period, continued its efforts in strategic business integration between its factories in Shenzhen and Huidong in order to improve the Group's overall operating efficiency in long term through resource sharing. Such had caused a temporary suspension of the corrugated board production lines in Huidong Plant, but the affected product lines had resumed operation during the end of the Period, and the sales has been gradually recovering.

Despite the decline in its revenue, given the Group's constant cost control and ongoing development in high value-added products and services, the level of gross profit margin was maintained. The gross profit margin of the Group was approximately 22.2% for the Period (for the corresponding period in 2015: approximately 20.2%). Moreover, the Group's new factory plant in Fujian ("**Fujian Plant**") has been receiving sales orders since last financial year and had entered into trial production stage on 1 August 2016. Fujian Plant, which was planned to commence production officially on 1 December 2016, had commenced operation in August 2016. While the economy growth of the PRC is now slowing down, the overwhelming online shopping trend has driven up the demand for corrugated paper packaging, and the demand is expected to increase continuously. The Group's business integration in Guangdong and the opening of Fujian Plant is expected to enhance its production capacities and efficiency in long term to cope with the demand as well as to expand the regional markets.

The Group recorded a profit before taxation and a net profit of approximately HK$8.7 million and approximately HK$5.0 million, respectively for the Period, as compared to a loss before taxation and a net loss of approximately HK$34.2 million and approximately HK$37.2 million, respectively for the corresponding period in 2015.

RESULT OF OPERATION

	For the six months ended 30 September			
	2016		2015	
	HK$'000	**(%)**	*HK$'000*	(%)
Sales of goods				
PRC domestic sales	**277,748**	**71.9**	275,095	64.8
Domestic delivery export sales	**92,589**	**24.0**	131,930	31.1
Direct export sales	**15,838**	**4.1**	17,388	4.1
	386,175	**100.0**	424,413	100.0
Properties investment				
Rental income	**2,113**		2,351	
Total Revenue	**388,288**		426,764	
Gross profit margin		**22.2**		20.2
Net profit margin*		**1.3**		N/A*

* As the group suffered a net loss for the six months period ended 30 September 2015, the net profit margin calculation was irrelevant.

REVENUE

While the majority of the Group's sales was in RMB, the depreciation of RMB during the Period hit the Group's revenue. The revenue of the Group for the Period decreased by approximately 9.0% to approximately HK$388.3 million, from approximately HK$426.8 million for the corresponding period in 2015.

Guangdong operation

In addition to the depreciation in RMB, the Group's business integration process between its factories in Shenzhen and Huidong continued during the Period, the corrugated board production lines in Huidong Plant were temporary suspended, the Group therefore proceeded less corrugated board orders, and the revenue generated from the operations in Guangdong correspondingly decreased to approximately HK$363.8 million. (for the six months ended 30 September 2015: approximately HK$398.3 million). The Group kept its concentration on the high profit margin business of the structural-design printed cartons and paperwares, however, due to the depreciation of RMB, the average selling price for printed cartons and other paperwares decreased by approximately 9.0% for the Period, with the corresponding revenue decreased to approximately HK$343.7 million, as compared to approximately HK$367.9 million for the corresponding period in 2015.

Since the suspended corrugated board production line had resumed operation during the end of the Period, with improved internal resource allocation, the Group's revenue has been recovering gradually. The Group is optimistic with the market demand of the quality paper packaging products, while the industry integration phases out plenty of substandard competitors. Therefore, although the sales volume decreased during the Period, by looking ahead, the enhanced business operation of the Group is believed to facilitate its production optimisation so as to satisfy the rising demand.

Jiangxi operation

The Group spared no efforts in leveraging the regional strengths for the operation in Jiangxi. During the Period, the revenue generated from the operations in Jiangxi was approximately HK$18.1 million (for the corresponding period in 2015: approximately HK$26.2 million).

GROSS PROFIT

During the Period, despite the decline in revenue, the Group managed to maintain a stable gross profit. The Group's gross profit slightly increased to approximately HK$86.1 million from approximately HK$86.0 million for the corresponding period in 2015. Moreover, the Group continued its strategy in providing quality high value-added products, bringing about competitive advantage in its pricing. The Group's gross profit margin managed to maintain stable during the Period, which was increased to approximately 22.2% from approximately 20.2% for the corresponding period in 2015. Responding to varied demands from both existing and potential customers, the Group will continue to proactively improve its value-added products and services to further boost its profitability and market share in the industry.

Guangdong operation

Operation in Shenzhen continued to contribute most of the Group's gross profit. Benefit from the improved operation efficiency of the Group, the gross profit generated from Guangdong operation increased to approximately HK$82.1 million during the Period (for the corresponding period in 2015: approximately HK$80.5 million), while its gross profit margin recorded approximately 22.6% (for the corresponding period in 2015: approximately 20.2%).

Jiangxi operation

The gross profit and gross profit margin of the operation in Jiangxi for the Period were approximately HK$1.8 million and approximately 9.9%, respectively (for the corresponding period in 2015: approximately HK$2.9 million and approximately 11.1%, respectively). The Group will provide further resources and efforts on the operation in Jiangxi in order to establish a foundation for sustainable business growth.

SELLING AND ADMINISTRATIVE EXPENSES

The Group's selling expenses increased to approximately HK$23.4 million during the Period (for the corresponding period in 2015: approximately HK$22.0 million) mainly due to the increase in "delivery expenses" by approximately HK$2.2 million because of the increased domestic sales of pulp molded related products of approximately 65% despite the overall revenue decreased. Attributed to the Group's optimized cost control management as well, the administrative expenses fell to approximately HK$48.0 million, representing a decrease of approximately 13.4% from approximately HK$55.4 million for the corresponding period in 2015.

FINANCE COSTS

Finance cost mainly occurred from bank loans to replenish general working capital and capital expenditure. For the Period, the finance costs of the Group was approximately HK$5.6 million, representing a slight decrease of approximately 3.4% from approximately HK$5.8 million for the corresponding period in 2015.

OTHER GAINS AND LOSSES

Other gains and losses of the Group decreased significantly to loss of approximately HK$8.4 million (for the corresponding period in 2015: loss of approximately HK$44.2 million). It was mainly due to the loss on structured foreign currency forward contracts of approximately HK$4.3 million and the fair value loss on equity securities listed in Hong Kong and the PRC of approximately HK$4.8 million.

WORKING CAPITAL

	30 September 2016 Turnover Days	31 March 2016 Turnover Days
Trade and bills receivables	**95**	94
Trade and bills payables	**62**	64
Inventories	**43**	42
Cash conversion cycle*	**76**	72

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

The Group started to pick up the turnover gradually since the Fujian Plant commenced trial production and improved its operation efficiency during the Period. The Group also continued to manage the credit risks by closely monitoring the credit worthiness and collection history of its customers. The trade and bills receivables as at 30 September 2016 were approximately HK$201.1 million (as at 31 March 2016: approximately 198.1million), with trade and bill receivables turnover days remained stable to 95 days as compared 94 days for the year ended 31 March 2016.

The Group's trade and bills payables increased to approximately HK$104.1 million as at 30 September 2016, from approximately HK$99.1 million as at 31 March 2016. The Group managed to maintain a stable trade and bills payable turnover period of around two months, given its long established steady relationship with the suppliers. The trade and bills payable turnover days of the Group was 62 days for the Period, which has slightly decreased by 2 days from 64 days as in the year ended 31 March 2016.

The Group's inventories turnover days maintained stable, 43 days as of the Period (for the year ended 31 March 2016: 42 days), with its continuous stringent control over its inventories to minimize the holding risk. In order to maintain a reasonable inventories level of Fujian Plant, the Group's inventories had increased by approximately 8.2% to approximately HK$73.7 million as at 30 September 2016 from approximately HK$68.1 million as at 31 March 2016.

Summarising the data above, the cash conversion cycle of the Group was increased by 4 days from 72 days of the year ended 31 March 2016 to 76 days of the Period, implying the Group's operation efficiency and liquidity was maintained at a sound level.

LIQUIDITY AND FINANCIAL RESOURCES

	30 September 2016	31 March 2016
Current ratio	**0.92**	0.93
Gear ratio	**36.3**	36.3%

During the Period, the principal sources of working capital of the Group remained to be the cash flow from operation activities and bank borrowing. As at 30 September 2016, the Group's bank balances and cash amounted to approximately HK$183.4 million (as at 31 March 2016: approximately HK$121.9 million), excluding pledged deposit and unused banking facilities of approximately HK$111.4 million and approximately HK$486.4 million, respectively.

The current assets held by the Group as at 30 September 2016 increased to approximately HK$650.7 million, as compared to approximately HK$639.8 million as at 31 March 2016; while the current liability of the Group increased to approximately HK$708.0 million from approximately HK$686.5 million as at 31 March 2016. The current ratio (current assets divided by current liabilities) as at 30 September 2016 remained stable at approximately 0.92 (as at 31 March 2016: approximately 0.93).

As at 30 September 2016, the bank borrowings of the Group were mainly denominated in Hong Kong dollars, all carried floating interest rate and were secured, of which approximately HK$334.1 million was repayable within one year, approximately HK$103.0 million of long-term loan was classified as current liabilities under demand clauses, and approximately HK$7.9 million was repayable within two to more than five years, whereas the other loans of approximately HK$8.1 million carried a fixed interest of 5% and were secured which repayable within one year. The total outstanding bank borrowings and other borrowings as at 30 September 2016 slightly increased to approximately HK$453.1 million, from approximately HK$450.2 million as at 31 March 2016.

The Group kept maintaining sufficient cash and banking facilities to meet the working capital requirements for the business operations, developments, as well as to finance the potential investment opportunities. The gearing ratio (total borrowings dividend by total assets) as at 30 September 2016 was approximately 36.3% , remained stable from approximately 36.3% as at 31 March 2016.

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. As at 30 September 2016, the Group maintained USD3.0 million currency forward contracts. The Group will continue to closely monitor the foreign currency exposure and will consider taking appropriate initiatives, including but not limited to hedging significant foreign currency exposure should the need arise.

CHARGE OF ASSETS

As at 30 September 2016, the Group pledged certain assets such as bank deposits, prepaid land lease payment, buildings and investment properties with aggregate net book value of approximately HK$347.5 million (as at 31 March 2016: approximately HK$376.1 million) to secure banking facilities granted to the Group.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 September 2016, the Group's capital expenditure contracted but not provided for regarding property, plant and equipment was approximately HK$14.8 million (as at 31 March 2016: approximately HK$15.3 million) while the capital expenditure authorized but not contracted for was approximately HK$6.8 million (as at 31 March 2016: Nil).

As at 30 September 2016, the Group did not have any significant contingent liabilities (as at 31 March 2016: Nil).

EMPLOYEES AND REMUNERATION

As at 30 September 2016, the Group had 1,420 employees in total (as at 31 March 2016: 1,469). For the Period, the Group's total expenses on the remuneration of employees including emolument of the company's directors amounted to approximately HK$61.2 million (for the six months ended 30 September 2015: approximately HK$71.4 million).

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

Besides medical insurance and MPF scheme, competitive remuneration packages, discretionary bonuses, as well as employee share options, which generally structured to market terms by reference, are also awarded to eligible employees in accordance with the appraisal of individual performance. The Group's emolument policies are primarily formulated based on the performance of individual employees and the current market situation, which will be reviewed periodically.

DISPOSAL OF INVESTMENT

During the Period, the Group has entered into a sales and purchase agreement ("**S&P Agreement**") to dispose the investment of Xiamen Weihua Solar Limited (厦門惟華光能有限公司) ("**Xiamen Weihua**"). Pursuant to the S&P Agreement dated 31 July 2016, the Group agreed to transfer 20% shareholdings of Xiamen Weihua to an independent third party for a consideration of approximately RMB10,245,000. The consideration is payable in accordance with the status of transfer. As of 30 September 2016, the Group recorded a receipt of deposits amounting to approximately RMB2,049,000. Subsequent to the end of the Period, the Group had further received deposits of approximately RMB6,146,000. The transaction is expected to be completed during the year ending 31 March 2017.

Prospect

With rising global awareness on environmental protection and raising industrial standards motivated by the PRC government, outdated production capacities have being phased out gradually. In addition, benefit from the fast-growing development of online shopping, the logistic industry has been driven up the demand of quality corrugated packaging products with structural and environmental friendly design. Pursuant to a investigation report, the global corrugated paper demand volume is expected to maintain a steady growth approximately at 4.2%. Being recognized as a paper packaging supplier for satisfying quality products by the market, the Group, also being one of the market leaders in the PRC corrugated paper packaging industry, is optimistic towards the prospect of the industry and will seize the golden opportunities to further expand its market share.

In addition to the expected official operation commencement of Fujian Plant on 1 December 2016, followed by its trial production started during the Period, the business integration continues between the Guangdong factories, the Group will put extra efforts in enhancing production efficiency with expanded capacity. Meanwhile, striving to differentiate itself from the competitors, the Group has been continuously providing quality products and value added services, including structural designs and offset printing and has been further contributing in Research and Development ("**R&D**") on its production technologies and facilities in order to cater for the demand and expectation in quality paper packaging products from high-end customers and further improve the profit margin in the long run.

The Group has been striving for a long term healthy financial status by adopting prudent yet flexible internal control and risk management as well as reviewing its investment plan constantly, both of which aims to support its sustainable development and improve operation efficiencies. By means of coping with the increased market demand of quality paper packaging products, and exploring the surrounding regional markets upon the completion of the Fujian Plant, it is believed that the Group's leadership position in the PRC's corrugated paper packaging industry will be further strengthened.

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

All the members of the Board 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 Ta 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 the six months ended 30 September 2016.

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 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

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 on 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, 30 November 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHONG Kam Chau, Mr. CHONG Wa Pan and Mr. CHONG Wa Ching; and three independent non-executive Directors, namely Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun.