COME SURE GROUP (HOLDINGS) LIMITED
錦 勝 集 團(控 股)有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00794)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2018

GROUP RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Come Sure Group (Holdings) Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2018 (the "**Year**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	2	**1,326,986**	845,546
Cost of goods sold		**(1,025,211)**	(660,684)
Gross profit		**301,775**	184,862
Other income	3	**6,246**	8,916
Other gains and losses	4	**7,007**	(3,793)
Selling expenses		**(60,793)**	(40,869)
Administrative expenses		**(108,893)**	(104,653)
Other operating expenses		**(10,113)**	(2,480)
Profit from operations		**135,229**	41,983
Finance costs	5	**(13,146)**	(12,275)
Loss on disposal of subsidiaries		**(3,500)**	–
Loss on deregistration of subsidiaries		**(2,720)**	–
Profit before tax		**115,863**	29,708
Income tax expense	6	**(20,458)**	(13,193)
Profit for the year	7	**95,405**	16,515
Profit (loss) for the year attributable to:			
Owners of the Company		**96,496**	18,383
Non-controlling interests		**(1,091)**	(1,868)
		95,405	16,515
Earnings per share	9		
Basic and diluted		**HK26.63 cents**	HK5.07 cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Note	**2018** **HK$'000**	2017 HK$'000
Profit for the year	7	**95,405**	16,515
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**46,488**	(32,027)
Release of translation reserve upon disposal of subsidiaries		**(842)**	–
Other comprehensive income (expense) for the year, net of income tax		**45,646**	(32,027)
Total comprehensive income (expense) for the year		**141,051**	(15,512)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**140,369**	(12,237)
Non-controlling interests		**682**	(3,275)
		141,051	(15,512)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2018

	Note	2018 HK$'000	2017 HK$'000
Non-current assets			
Prepaid lease payments		**49,818**	58,674
Property, plant and equipment		**271,823**	284,175
Investment properties		**219,900**	209,800
Goodwill		**11,631**	11,631
Deposits paid for acquisition of property, plant and equipment		**3,053**	3,893
Club membership		**366**	366
		556,591	568,539
Current assets			
Inventories		**119,713**	95,382
Trade and bills receivables	*10*	**260,214**	214,846
Prepayments, deposits and other receivables		**14,640**	19,825
Prepaid lease payments		**1,231**	1,434
Tax recoverable		**2,485**	1,000
Held-for-trading investments		**26,987**	33,392
Held-to-maturity investment		**9,023**	–
Pledged bank deposits		**123,499**	145,634
Bank and cash balances		**257,513**	250,414
Amounts due from non-controlling shareholders		**–**	29
		815,305	761,956

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2018

	Note	**2018** *HK$'000*	2017 *HK$'000*
Current liabilities			
Trade and bills payables	*11*	**166,174**	158,127
Accruals and other payables		**83,720**	93,512
Amounts due to non-controlling shareholders		**20,196**	28,883
Short-term borrowings		**282,647**	364,675
Tax payables		**38,177**	26,238
Long-term borrowings		**81,506**	120,819
Derivative financial instruments		**–**	2,176
		672,420	794,430
Net current assets (liabilities)		**142,885**	(32,474)
Total assets less current liabilities		**699,476**	536,065
Non-current liabilities			
Long-term borrowings		**41,486**	7,145
Amounts due to non-controlling shareholders		**–**	2,848
Deferred tax liabilities		**–**	3,818
		41,486	13,811
NET ASSETS		**657,990**	522,254
Capital and reserves			
Share capital		**3,623**	3,623
Reserves		**660,075**	519,706
Equity attributable to owners of the Company		**663,698**	523,329
Non-controlling interests		**(5,708)**	(1,075)
		657,990	522,254

NOTES

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKASs and HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to Hong Kong Accounting Standards ("HKASs") and HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Asset for Unrealised Losses
Amendments to HKFRSs	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle relating to Amendments to HKFRS 12 Disclosure of Interests in Other Entities

Except as described below, the application of the amendments to HKASs and HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

New and amendments to HKASs and HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKASs and HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS 2	Clarification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interest in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfer of Investment Property[1]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2014–2016 Cycle except Amendments to HKFRS 12[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[2]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
[3] Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted
[4] Effective date to be determined

The Group is assessing the full impact of these new and amendments to HKASs and HKFRSs. According to management's preliminary assessment, other than the impact of HKFRS 9, 15 and 16 stated below, none of these is expected to have a significant effect on the consolidated financial statements of the Group.

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKASs and HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

— all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

— in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, upon application of HKFRS 9, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the directors of the Company perform a detailed review.

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKASs and HKFRSs in issue but not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 issued establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

— Step 1: Identify the contract(s) with a customer
— Step 2: Identify the performance obligations in the contract
— Step 3: Determine the transaction price
— Step 4: Allocate the transaction price to the performance obligations in the contract
— Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, The HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. However, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

1. **APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)**

New and amendments to HKASs and HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in the classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item in which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of approximately HK$94,626,000 as disclosed in the Annual Report of the Company. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosures as indicated above.

2. REVENUE AND SEGMENT INFORMATION

Revenue of the Group represents revenue arising on sale of goods and gross rental income earned during the year.

Segment 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 reports in order to assess performance and allocate resources. Management determined the operating segments based on the internal reports.

The Group has three reportable and operating segments under HKFRS 8 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 segments:

For the year ended 31 March 2018

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	**1,128,028**	**194,339**	**4,619**	**–**	**1,326,986**
Inter-segment sales	**49,566**	**17,673**	**–**	**(67,239)**	**–**
Total	**1,177,594**	**212,012**	**4,619**	**(67,239)**	**1,326,986**
Segment profit	**139,597**	**19,157**	**10,902**		**169,656**
Fair value changes of derivative financial instruments					**2,176**
Dividend income from held-for-trading investments					**332**
Fair value changes of held-for-trading investments					**(5,797)**
Loss on structured foreign currency forward contracts					**(2,156)**
Income from structured deposits					**2,554**
Loss on disposal of subsidiaries					**(3,500)**
Loss on deregistration of subsidiaries					**(2,720)**
Gain on disposal of held-for-trading investments					**130**
Finance costs					**(13,146)**
Corporate income and expenses					**(31,666)**
Profit before tax					**115,863**

2. **REVENUE AND SEGMENT INFORMATION (Continued)**

Segment revenues and results (Continued)

For the year ended 31 March 2017

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
External sales	691,422	149,737	4,387	–	845,546
Inter-segment sales	27,301	13,482	–	(40,783)	–
Total	718,723	163,219	4,387	(40,783)	845,546
Segment profit	42,708	9,935	2,718		55,361
Fair value changes of derivative financial instruments					11,655
Dividend income from held-for-trading investments					479
Fair value changes of held-for-trading investments					265
Loss on structured foreign currency forward contracts					(19,171)
Income from structured deposits					1,623
Gain on disposal of financial assets designated as at FVTPL					349
Gain on disposal of available-for-sale investment					1,616
Loss on disposal of held-for-trading investments					(1,750)
Finance costs					(12,275)
Corporate income and expenses					(8,444)
Profit before tax					29,708

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profits represented the profit earned from each segment without allocation of fair value changes of derivative financial instruments, fair value changes of held for trading investments, loss on structured foreign currency forward contracts, income from structured deposits, dividend income from held-for-trading investments, gain on disposal of available-for-sale investment, gain (loss) on disposal of held-for-trading investments, loss on disposal of subsidiaries, loss on deregistration of subsidiaries, finance costs 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.

2. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

At 31 March 2018

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Properties leasing** *HK$'000*	**Total** *HK$'000*
Segment assets	**950,666**	**143,797**	**219,348**	**1,313,811**
Total assets for reportable segments				**1,313,811**
Unallocated items:				
Leasehold land in Hong Kong for corporate use				**1,165**
Investment properties				**1,200**
Goodwill				**11,631**
Club membership				**366**
Held-to-maturity investment				**9,023**
Tax recoverable				**2,485**
Held-for-trading investments				**26,987**
Bank balances managed on central basis				**1,914**
Others				**3,314**
Consolidated assets				**1,371,896**
Segment liabilities	**218,318**	**20,718**	**1,138**	**240,174**
Total liabilities for reportable segments				**240,174**
Unallocated items:				
Tax payables				**38,177**
Amounts due to non-controlling shareholders				**20,196**
Borrowings				**405,639**
Others				**9,720**
Consolidated liabilities				**713,906**

2. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2017

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	919,296	136,321	209,205	1,264,822
Total assets for reportable segments				1,264,822
Unallocated items:				
Leasehold land in Hong Kong for corporate use				1,205
Investment properties				1,100
Goodwill				11,631
Club membership				366
Amounts due from non-controlling shareholders				29
Tax recoverable				1,000
Held-for-trading investments				33,392
Bank balances managed on central basis				1,774
Others				15,176
Consolidated assets				1,330,495
Segment liabilities	215,078	28,189	3,611	246,878
Total liabilities for reportable segments				246,878
Unallocated items:				
Tax payables				26,238
Deferred tax liabilities				3,818
Amounts due to non-controlling shareholders				31,731
Borrowings				492,639
Derivative financial instruments				2,176
Others				4,761
Consolidated liabilities				808,241

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

- all assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment property for capital appreciation purposes, goodwill, club membership, amounts due from non-controlling shareholders, held-to-maturity investment, held-for-trading investments, bank balances managed on central basis, tax recoverable and corporate assets; and

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

2. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information:

For the year ended 31 March 2018

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Depreciation and amortisation	**23,446**	**7,826**	**–**	**110**	**31,382**
Additions to non-current assets *(note)*	**15,686**	**3,701**	**–**	**550**	**19,937**
Loss on disposal of property, plant and equipment	**38**	**88**	**–**	**–**	**126**
Impairment of property, plant and equipment	**10,119**	**–**	**–**	**–**	**10,119**
Write-off of property, plant and equipment	**522**	**–**	**–**	**–**	**522**
Reversal of impairment of trade receivables	**(657)**	**(4)**	**–**	**–**	**(661)**
Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment profit or loss or segment assets:					
Interest income	**(3,147)**	**(50)**	**–**	**(177)**	**(3,374)**
Interest expenses	**11,025**	**1,842**	**279**	**–**	**13,146**
Income tax expense	**17,956**	**2,479**	**–**	**23**	**20,458**

Note: Additions to non-current assets included property, plant and equipment and deposits paid for acquisition of property, plant and equipment.

2. **REVENUE AND SEGMENT INFORMATION (Continued)**

Other segment information: (Continued)

For the year ended 31 March 2017

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Depreciation and amortisation	22,328	7,992	–	21	30,341
Additions to non-current assets *(note)*	27,575	2,144	–	575	30,294
Loss on disposal of property, plant and equipment	630	2	–	–	632
Allowance for doubtful debts	–	3,241	–	–	3,241
Write-off of inventories	3,288	–	–	–	3,288
Reversal of impairment of trade receivables	(1,517)	–	–	–	(1,517)
Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment profit or loss or segment assets:					
Interest income	(2,615)	(31)	–	(115)	(2,761)
Interest expenses	9,937	2,059	279	–	12,275
Income tax expense	12,247	1,007	(61)	–	13,193

Note: Additions to non-current assets included property, plant and equipment and deposits paid for acquisition of property, plant and equipment.

Geographical information:

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

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

	Revenue from external customers		**Non-current assets**	
	2018 ***HK$'000***	2017 *HK$'000*	**2018** ***HK$'000***	2017 *HK$'000*
Hong Kong	**145,162**	122,356	**222,880**	212,958
Macau	**126,880**	97,920	**45**	48
PRC except Hong Kong and Macau	**1,054,944**	625,270	**322,035**	343,902
Consolidated total	**1,326,986**	845,546	**544,960**	556,908

Note: Non-current assets included prepaid lease payments, property, plant and equipment, investment properties, deposits paid for acquisition of property, plant and equipment and club membership.

2. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers:

Details of the customers who accounted for 10% or more of the aggregate revenue of the Group during the year are as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A[1]	**133,119**	91,868
Customer B[1]	**169,660**	–

1 Revenue from corrugated products.

3. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Dividend income from held for trading investments	**332**	479
Government subsidies	**707**	2,130
Interest income	**3,374**	2,761
Income from online game and internet business	**–**	2,587
Write-off of other payables	**402**	–
Sundry income	**1,431**	959
	6,246	8,916

4. OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Gain on disposal of available-for-sales investments	**–**	1,616
Gain on disposal of financial assets designated as at FVTPL	**–**	349
Gain (loss) on disposal of held-for-trading investments	**130**	(1,750)
Fair value changes of derivative financial instruments	**2,176**	11,655
Fair value changes of held-for-trading investments	**(5,797)**	265
Fair value changes of investment properties	**10,100**	1,620
Income from structured deposits	**2,554**	1,623
Loss on structured foreign currency forward contracts	**(2,156)**	(19,171)
	7,007	(3,793)

5. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on:		
— bank borrowings	**12,323**	11,312
— bank overdraft	**10**	6
— other borrowings	**342**	403
— amount due to a non-controlling shareholder	**471**	554
	13,146	12,275

6. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
— Current tax	**1,157**	507
— Over provision in previous years	**(539)**	(69)
	618	438
PRC enterprise income tax ("**EIT**"):		
— Current tax	**18,750**	9,754
— Under provision in previous years	**1,216**	–
— Withholding tax	**–**	3,001
	19,966	12,755
Deferred tax credit	**(126)**	–
	20,458	13,193

Hong Kong Profits Tax is calculated at 16.5% (2017: 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 People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2017: 25%) from 1 January 2008 onwards.

The profits of the PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax at a rate of 5% (2017: 5%) upon distribution of such profits to foreign investors in Hong Kong.

A portion of the Group's profit for the years ended 31 March 2018 and 2017 are earned by the Macau subsidiaries of the Group incorporated under the Macao SAR's Offshore Law. Pursuant to the Macao SAR's Offshore Law, such portion of profits is exempted from Macau complimentary tax. Furthermore, in the opinion of the directors of the Company, that portion of the Group's profit is not, at present, subject to taxation in any other jurisdiction in which the Group operates.

During the year ended 31 March 2017, the Inland Revenue Department of Hong Kong ("**IRD**") issued estimated assessment and additional assessment for the year of assessment 2009/10 and 2010/11 to six subsidiaries of the Group amounting to HK$7,260,000. The Group had made objections to IRD on these assessments and purchased tax reserve certificates amounting to HK$2,485,000 in aggregate. IRD has held over the payment of profits tax of HK$4,775,000.

Having taken advice from the Group's tax advisor, the directors of the Company are of the opinion that, as at 31 March 2018, the provision for taxation made in the consolidated financial statements is sufficient and not excessive.

7. PROFIT FOR THE YEAR

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

	2018	2017
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**29,936**	28,877
Amortisation of prepaid lease payments	**1,446**	1,464
Total depreciation and amortisation	**31,382**	30,341
Cost of inventories recognised as an expense	**1,024,237**	660,592
Direct operating expense of investment properties that generate rental income	**974**	92
Total cost of goods sold	**1,025,211**	660,684
Auditors' remuneration:		
— Audit service	**1,000**	1,000
— Non-audit service	**100**	100
	1,100	1,100
Loss on disposal of property, plant and equipment	**126**	632
Minimum lease payment paid under operating lease in respect of land and buildings	**20,229**	19,900
Allowance for doubtful debts (included in other operating expenses)	**–**	3,241
Reversal of impairment of trade receivables (included in other operating expenses)	**(661)**	(1,517)
Net foreign exchange (gain) loss	**(9,207)**	5,039
Impairment of property, plant and equipment	**10,119**	–
Write-off of property, plant and equipment	**522**	–
Write-off of inventories	**–**	3,288

8. DIVIDEND

	2018	2017
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year		
2017 Final dividend — Nil (2017: 2016 final dividend — Nil) per share	**–**	–

Subsequent to the end of the reporting period, a final dividend for the year ended 31 March 2018 of HK7.00 cents per share has been proposed by the directors of the Company and is subject to approval by shareholders in the forthcoming annual general meeting (2017: no final dividend in respect of the year ended 31 March 2017 was paid nor proposed).

9. 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

	2018	2017
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**96,496**	18,383

Number of shares

	2018	2017
	Number of Shares	*Number of Shares*
Number of ordinary shares for the purpose of basic and diluted earnings per share	**362,300,000**	362,300,000

The calculation of diluted earnings per share for the year ended 31 March 2018 and 2017 did 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 both 2018 and 2017.

10. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on credit, on cash on delivery and payment in advance. Credit periods range from 15 days to 120 days after the end of the month in which the revenue is recognised and invoiced. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The aging analysis of trade and bills receivables, based on the due date for settlement, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Trade receivables:		
Not yet due for settlement	**227,698**	191,479
Overdue:		
1 to 30 days	**20,441**	11,744
31 to 90 days	**6,791**	2,857
91 to 365 days	**567**	3,453
Over 1 year	**14,549**	13,774
	270,046	223,307
Less: Allowance for doubtful debts	**(13,398)**	(15,760)
	256,648	207,547
Bills receivables *(Note)*	**3,566**	7,299
	260,214	214,846

Note:

All bills receivables are due within 90 days based on due date for settlement.

10. TRADE AND BILLS RECEIVABLES (Continued)

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

Ageing of trade receivables which are past due but not impaired

	2018	2017
	HK$'000	*HK$'000*
Overdue by:		
1 to 90 days	**27,232**	14,601
91 to 365 days	**567**	1,467
Over 1 year	**1,151**	–
Total	**28,950**	16,068

Movement in the allowance for doubtful debts

	2018	2017
	HK$'000	*HK$'000*
At 1 April	**15,760**	14,590
Allowance for doubtful debts for overdue trade receivables	**–**	3,241
Reversal of impairment of trade receivables	**(661)**	(1,517)
Derecognition upon disposal of subsidiaries	**(2,754)**	–
Exchange differences	**1,053**	(554)
At 31 March	**13,398**	15,760

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

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$13,398,000 (2017: approximately HK$15,760,000) which have either been placed under liquidation or in severe financial difficulties.

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

	2018	2017
	HK$'000	*HK$'000*
HK$	**34,486**	34,731
US$	**14,470**	13,969
RMB	**210,993**	165,579
Australian dollars	**265**	567
	260,214	214,846

11. TRADE AND BILLS PAYABLES

The aging analysis of trade payables, based on due date for settlement, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Trade payables:		
0 to 30 days	**83,488**	44,418
31 days to 90 days	**731**	84
Over 90 days	**669**	429
	84,888	44,931
Bills payables *(Note)*	**81,286**	113,196
	166,174	158,127

Note:

All bills payables are due within 90 days based on due date for settlement.

Payment terms granted by suppliers are mainly on credit and on cash on delivery. Credit periods range from 15 days to 90 days after invoice date when the relevant purchase occurred. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

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

	2018	2017
	HK$'000	*HK$'000*
HK$	**16,866**	7,255
RMB	**149,308**	150,872
	166,174	158,127

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the Year, economy of the People's Republic of China (the "**PRC**" or "**China**") continued its healthy and sustainable growth with new vitality. According to the National Bureau of Statistics of China (the "**NBSC**"), the average gross domestic product (the "**GDP**") recorded a growth rate of 6.9% during the year of 2017 (2016: 6.7%). Meanwhile, driven by the increasing local job prospects, personal finance and spending intentions, the retail momentum and consumer demand of the PRC both marked rapid growth. According to Nielsen's Market Research Report 2017, China Consumer Confidence Index (the "**CCI**") showed steady growth of 112 points, compared to 106 points in 2016. Domestic consumption of the PRC continued to be a leading force driving the economic growth during the Year.

Attributed to the PRC government's increasingly stringent regulatory measures on environmental protection, industrial standard has been further enhanced as obsolete production facilities were steadily eliminated in the PRC. Re-balancing supply-demand has given supports for paper packaging product prices. As shown from the NBSC statistics, the producer price index (the "**PPI**") of paper and paper products was up by 9.5% in 2017. The market leaders with strong and exemplary quality capacities could benefit from the rising demand, hence leading to the expansion in their trading volumes and market shares. Statistics also show that the total profit of paper and paper products manufacturers above designated size represented a satisfactory Year-on-Year (the "**YoY**") increase of 36.2% in 2017 and 14.8% in the first four months of 2018 respectively. Enhanced concentration in the paper packaging industry enabled dominant companies to experience higher profitability. In addition, the rapid development of e-commerce has led to fundamental changes in consumption and logistics models. In 2017, the total volume of the PRC postal services realized Renminbi (the "**RMB**") 976.5 billion, representing a YoY increase of 32%. Arising from the global awareness on environmental protection, paper packaging enterprises that adhere to environmental governance and long-held prudent strategies have been gradually standing out from the expanding market opportunity and competition.

Business Review

During the Year, the Group keenly reviewed the production technology and efficiency of its factories, while the industry standards uplifted as a result of the increasing global environmental awareness. By providing quality corrugated paperboard products and services continuously, the Group further seized the considerable market opportunities, increased its sales volume by receiving more orders from loyal high-end customers, and attained a revenue of approximately HK$1,327.0 million during the Year, representing a surge of 56.9% as compared to approximately HK$845.5 million for the last corresponding year. In line with the improving revenue, the Group saw a soar in its net profit of approximately HK$95.4 million for the Year, significantly increased by 478.2% compared to approximately HK$16.5 million for the last corresponding year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

The Group's ongoing development in high value-added products and services business continued to sharpen its competitiveness and recognition, which enabled the Group to maintain a steady growth in gross profit margin at 22.7% during the Year (2017: 21.9%) throughout the accelerated industrial integration process. The Group kept focusing on structural-designed paper based packaging products during the Year, which consumed relatively less raw paper in its production; and the Group was capable to transfer the increment in costs to its loyal customers with high value-added products and services which also reduced the cost pressure from the rise in raw paper price. Besides, having established the solid collaboration relationships with the suppliers, the Group has maintained its fundamental edge over the peers in terms of stable supply and price. The Group has constantly refined its internal corporate control, as well as inventories and procurement management, paving its way for sustainable profitability from its business development in long run.

Having witnessed the growing market demand in Fujian and the surrounding regions, the Group proactively monitored the operating efficiency and product quality over the production lines in its factory in Fujian ("**Fujian Plant**"). Attributed to the Group's intensive development in Fujian Plant since its operation in August 2016, Fujian Plant has acquired rising recognition from regional customers and further expanded its revenue to approximately HK$178.5 million during the Year, representing a considerable contribution to the Group's results.

Result of Operation

	2018		2017	
	HK$'000	*(%)*	*HK$'000*	*(%)*
Paper-based packaging				
PRC domestic sales	**1,054,944**	**79.8**	625,269	74.3
Domestic delivery export	**220,916**	**16.7**	182,619	21.7
Direct export	**46,507**	**3.5**	33,271	4.0
	1,322,367	**100.0**	841,159	100.0
Properties investment				
Rental income	**4,619**		4,387	
Total Revenue	**1,326,986**		845,546	
Gross profit margin		**22.7**		21.9
Net profit margin		**7.2**		2.0

Revenue

During the Year, the supply level of the paper packaging industry in the PRC kept increasing to satisfy the national rapid growing demand. Along with the enhanced industrial standards and the accelerated e-commerce development, the Group managed to expand its market share in the paper packaging market, with overall strengths in scaled production capacity, technology-intensive equipment and environmental governance. During the Year, the Group's revenue significantly increased to approximately HK$1,327.0 million, representing a YoY rise of 56.9% from approximately HK$845.5 million for the last corresponding year.

Guangdong operation

Guangdong operation has always been the Group's main focus. With the long-established reputation and stable customer base accumulated over years, the Group's high value-added businesses, including the structural design printed cartons and corrugated products, from Guangdong operation continued to provide the Group with obvious economic benefits. During the Year, the revenue generated from Guangdong operation rose sharply to approximately HK$1,109.9 million, as compared to approximately HK$761.6 million for the last corresponding year.

Being widely recognized by the mid-to-high end customers, the Group's printed cartons and other corrugated products showed a considerable growth in its sale volume, with the corresponding revenue for the Year amounted to approximately HK$1,045.0 million, comparing to approximately HK$714.9 million for the last corresponding year. The enhanced production efficiency in Guangdong factories is expected to unleash sustainable quality capacity to satisfy the rising market demand.

Fujian operation

The Fujian operation has been performing well since its commencement in August 2016. Equipped with strong and efficient production capabilities, Fujian Plant's corrugated paper board-based business continued to satisfy the uplifting expectation and demand from the regional customers, which contributed a revenue of approximately HK$178.5 million during the Year. The Group might consider gearing appropriate development strategies to facilitate its capacity expansion in long run.

Jiangxi operation

The revenue generated from the Jiangxi operations was approximately HK$34.0 million during the ten months period before disposal (2017: approximately HK$32.1 million). The Jiangxi plant was disposed in January 2018.

Properties investment

The revenue generated from the properties investment business remained stable and increased slightly to approximately HK$4.6 million for the Year (2017: approximately HK$4.4 million).

Gross Profit

In line with the revenue growth, the Group's gross profit amounted to approximately HK$301.8 million during the Year, surged by 63.2% from approximately HK$184.9 million for the last corresponding year. The Group's Fujian Plant generated relatively lower gross profit margin due to the nature of its corrugated paper board business. Nevertheless, the Group has been enjoying stable supply of quality raw materials from its loyal and closely collaborating suppliers. Meanwhile, attributed to the Group's strategy in providing high value-added products and services, as well as the prudent internal fiscal control, the Group's profit margin managed to increase to 22.7% during the Year from 21.9% for the last corresponding year.

Guangdong operation

With steady growth in sales volume of high value-added products generated from the Group's business in Guangdong, the Guangdong operation continued to contribute the most to the Group's gross profit during the Year, and remarkably increased to approximately HK$275.8 million during the Year from approximately HK$168.1 million for the last corresponding year. Correspondingly, its gross profit margin was recorded at 24.9% (2017: 22.1%). The Guangdong Operation is expected to give strong impetus to the Group's profitability.

Fujian operation

The operation of Fujian Plant achieved a gross profit and gross profit margin of approximately HK$16.7 million and 9.4% respectively during the Year. With the corrugated paper board production as its main business, Fujian operation was expected to generate a lower gross profit level as compared to other printed cartons business. Yet, with its rising brand recognition from the regional and surrounding markets, Fujian Plant is believed to be capable of satisfactorily expanding the profit sources to the Group in long run.

Jiangxi operation

The gross profit of Jiangxi operation during the ten months period before disposal was approximately HK$5.7 million. (2017: approximately HK$4.3 million). The Jiangxi plant was disposed in January 2018.

Properties investment

The cost of rental business represented the direct outgoings of the investment properties. The gross profits of rental business were approximately HK$3.6 million for the Year and approximately HK$4.3 million for the year ended 31 March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Selling and Administrative Expenses

During the Year, as the Group attracted considerable sale orders, the sales volume increased as well as the selling expenses which amounted to approximately HK$60.8 million (2017: approximately HK$40.9 million). Attributed to the Group's strengthened internal cost control management, the administrative expenses managed to maintain at approximately HK$108.9 million (2017: approximately HK$104.7 million).

Other Operating Expenses

The Group recorded other operating expenses of approximately HK$10.1 million during the Year (2017: approximately HK$2.5 million), mainly due to impairment of building accounted for as construction-in-progress, which located in Jiangxi, during the Year.

Finance Costs

The finance costs of the Group maintained stable at approximately HK$13.1 million for the Year (2017: approximately HK$12.3 million), which was mainly attributed to the bank loans for general working capital and capital expenditure.

Net Profit and Dividend

Apart from the satisfactory enhancement in revenue, the Group managed its internal cost control effectively; the net profit was therefore significantly ascended to approximately HK$95.4 million, risen by 478.2% as compared to approximately HK$16.5 million for the corresponding year. The Group's net profit margin for the Year boosted to 7.2% (for the year ended 31 March 2017: 2.0%). The basic and diluted earnings per share for the Year was HK26.63 cents (2017: HK5.07 cents). The Board proposed a payment of final dividend of HK7.00 cents per ordinary share (the "**Share**") of the Company.

Capital Structure

The Company's issued share capital as at 31 March 2018 was HK$3,623,000 divided into 362,300,000 shares of HK$0.01 each.

Having adopted a prudent treasury policy during the Year, the Group's current ratio (calculation based on dividing the current assets by current liabilities) as at 31 March 2018 was improved to 1.21 (as at 31 March 2017: 0.96).

Working Capital

	2018	2017
	Number of Days	*Number of Days*
Trade and bills receivables	**65**	89
Trade and bills payables	**58**	71
Inventories	**38**	45
Cash conversion cycle*	**45**	63

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

In line with the increase in revenue, the trade and bills receivables as at 31 March 2018 climbed to approximately HK$260.2 million from approximately HK$214.8 million as at 31 March 2017. Having adopted stringent credit risks management by closely monitoring the credit worthiness and collection history of the customers, the Group's trade and bills receivables turnover days managed to be further shortened to 65 days as at 31 March 2018 from 89 days as at 31 March 2017.

The trade and bills payables climbed to approximately HK$166.2 million as at 31 March 2018 from approximately HK$158.1 million as at 31 March 2017, in connection with the increase in sales volume. The trade and bills payables turnover days was decreased to 58 days, which was mainly due to the shortened payment period negotiated with the major suppliers in order to obtain a bargaining price in raw paper procurement. The Group has been committed to maintaining its close collaboration relationship with its suppliers.

In additional to the increase in the cost of inventories, the Fujian plant achieved a steady growth in receiving sales orders, the Group strived to maintain a certain stock level for its production; the inventories recorded an increase of 25.5% to approximately HK$119.7 million as at 31 March 2018 from approximately HK$95.4 million as at 31 March 2017. Correspondingly, the inventory turnover days as at 31 March 2018 was shortened to 38 days (as at 31 March 2017: 45 days).

The cash conversion cycle of the Group was decreased from 63 days as at 31 March 2017 to 45 days as at 31 March 2018, which was mainly due to the Group's capability of maintaining its operation efficiency and liquidity risk at a sound level. The Group will continue to further strengthen its cash flow management.

Liquidity and Financial Resources

	As at 31 March	
	2018	2017
Current ratio	**1.21**	0.96
Gearing ratio	**29.6%**	37.0%

The main sources of the Group's working capital and funding during the Year were from its operating cash and bank borrowings. In terms of the Group's available financial resources as at 31 March 2018, the bank and cash balances amounted to approximately HK$257.5 million (as at 31 March 2017: approximately HK$250.4 million), excluding pledged deposits of approximately HK$123.5 million and the unused banking facilities amounted to approximately HK$449.8 million as at 31 March 2018. The Group's cash and cash equivalents were mostly denominated in Hong Kong dollars ("**HKD**") and RMB.

The current assets and current liabilities of the Group as at 31 March 2018 amounted to approximately HK$815.3 million and approximately HK$672.4 million, respectively, as compared to approximately HK$762.0 million and approximately HK$794.4 million of the last corresponding year. The current ratio (current assets divided by current liabilities) as at 31 March 2018 was improved to 1.21 (as at 31 March 2017: 0.96) which mainly due to significant improvement in operating result during the year.

As at 31 March 2018, all the bank borrowings of the Group carried floating interest rates and were secured. As at 31 March 2018, the total outstanding bank borrowings decreased to approximately HK$405.6 million from approximately HK$484.7 million as at 31 March 2017, of which approximately HK$312.7 million were repayable within one year and approximately HK$92.9 million were repayable from two to more than five years. Other loans decreased to nil due to disposal of Jiangxi plant (as at 31 March 2017: approximately HK$7.9 million). As at 31 March 2018, bank borrowings are denominated in HKD and RMB.

The Group managed to maintain sufficient cash balance level and banking facilities to meet the working capital requirements for sustainable business development and potential investment opportunities, with the gearing ratio (total borrowings divided by total assets) as at 31 March 2018 reduced to 29.6% (as at 31 March 2017: 37.0%).

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. The Group will continue to monitor the foreign currency exposure closely and will consider taking appropriate initiatives to hedge significant foreign currency exposure if necessary.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Charge of Assets

As at 31 March 2018, the Group pledged certain assets including bank deposits and investment properties, with aggregate net book value of approximately HK$342.2 million (as at 31 March 2017: approximately HK$381.7 million), to secure banking facilities granted to the Group.

Capital Commitment and Contingent Liabilities

As at 31 March 2018, the Group's capital expenditure regarding property, plant and equipment, which are contracted but not provided, was approximately HK$3.4 million (as at 31 March 2017: approximately HK$2.7 million).

As at 31 March 2018, the Group did not have any capital expenditure authorized but not contracted for (as at 31 March 2017: Nil).

IRD issued estimated assessment and additional assessment for the year of 2009/10 and 2010/11 to six subsidiaries of the Group amounting to HK$7,260,000. In the opinion of the Directors, there is no specific basis for adjusting the subsidiaries' tax position for the years of assessment 2009/10 and 2010/2011 specified in the estimated assessment and additional assessment. Therefore, the Directors are of the view that no tax provision for Hong Kong Profits Tax is required at this stage. The Company will discuss with the IRD and will continue to monitor the progress and to defend the subsidiaries' tax position vigorously. Therefore, no tax provision was provided thereon at 31 March 2018 (31 March 2017: Nil). Please also refer to Note 6 of this result announcement for details.

Significant Investments and Material Acquisition

The Group did not have any significant investments and material acquisition of subsidiaries or associates during the Year.

Disposal of Subsidiaries

During the Year, the Group disposed its entire equity interest of 51% shareholding of Jiangxi Plant to a independent third party for a consideration of HK$4 million. The transaction resulted in a loss on disposal of subsidiaries of approximately HK$3.5 million for the year.

Employees and Remuneration

As at 31 March 2018, the Group had 1,411 employees in total (as at 31 March 2017: 1,445). For the Year, the Group's total expenses on the remuneration of employees including the emolument of the company's Directors amounted to approximately HK$158.1 million, as compared to approximately HK$123.0 million for the last corresponding year.

The Group's emolument policies are determined with the performance of individual employees and the prevailing market condition, which will be reviewed periodically. Aside from medical insurance and MPF scheme, competitive remuneration packages, discretionary bonuses as well as employee share options, which are generally structured with reference to market terms, are also awarded to eligible employees according to the assessment of their individual performance.

Employees and Remuneration (Continued)

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.

Prospect

Looking ahead, the global corrugated packaging market is forecasted to witness a compound annual growth rate of 3.82% and reach a total market size of US$336.26 billion by 2023, according to the Report on "Corrugated Packaging Market — Forecasts from 2018 to 2023", increasing from US$268.50 billion in 2017. In line with the growing global environmental protection trend as well as the flourishing e-commerce market, the demand of paper packaging products in the PRC is expected to be further boosted. Having built long-established brand recognition and reputation, the Group will keep up its effort in production efficiency enhancement over its factories, in order to cater for the considerable demand growth and further consolidate its market leadership position in the PRC corrugated paper packaging industry.

Equipped with efficient production facilities, the Group's Fujian plant is believed to satisfy the customers' needs in the region and bring sustainable profit to the Group in long term. With prospective insight into market opportunities in Fujian and its surrounding areas, the Group will proactively review its development strategies in Fujian Plant for constant enhancement, which includes consider to increase further appropriate investment should the need arise.

Keeping pace with the rising industrial standards, the Group has been carrying out green production process with its comprehensive and advanced equipment and technologies. In order to further improve the profit margin and attract more orders from high-end markets, the Group strives to maintain the sustainability in research and development, and will continue its efforts in developing its production technologies especially for quality high value-added products and services, such as structural designs and offset printing. Through the solid long-standing relationships with the suppliers, the Group has been capable of consolidating its stable supply advantage in responds to the external market conditions. The Group will make every effort to maintain stringent internal control and strengthen capital structure, in order to enhance its profitability and maximise the returns to shareholders in long run.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company and its subsidiaries had not purchased, sold or redeemed any of its 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.

CORPORATE GOVERNANCE (Continued)

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The main duties of the audit committee (the "**Audit Committee**") of the Company 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, risk management 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, together with the management of the Company and the external auditors, have reviewed this results announcement and the audited consolidated financial statements of the Group for the Year, the accounting principles and practices adopted and discussed auditing, internal controls, risk management and financial reporting matters.

DIVIDENDS

The Board proposed the payment of a final dividend of HK7.00 cents per share for the Year, amounting to approximately HK$25.4 million in total. The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders of the Company at the forthcoming annual general meeting (the "**AGM**") of the Company. The record date for entitlement to the proposed final dividend is 12 September 2018. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 10 September 2018 to 12 September 2018, both days inclusive, and no transfer of shares will be effected on such date. In order to qualify for the proposed final dividend, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on 7 September 2018. It is expected that the final dividend will be paid on or around 3 October 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on 3 September 2018 (the "**AGM**"), the register of members of the Company will be closed from 28 August 2018 to 3 September 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on 27 August 2018.

EVENT AFTER REPORTING PERIOD

There is no significant event occurring after the end of the Year up to the date of this announcement.

PUBLIC FLOAT

As far as the Company is aware, more than 25% of the issued shares of the Company were held in public hands as of 31 March 2018.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this results announcement have been agreed by the Group's auditors, HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be despatched to the Company's shareholders and published on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 29 June 2018

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.