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 2023

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 2023 (the "**Year**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000*
Revenue	*2*	**787,078**	1,177,271
Cost of sales		**(668,789)**	(995,012)
Gross profit		**118,289**	182,259
Other income	*3*	**10,449**	63,602
Other gains and losses	*4*	**(8,546)**	12,193
Selling expenses		**(68,097)**	(89,783)
Administrative expenses		**(89,310)**	(120,220)
Other operating expenses	*5*	**(355)**	(86,097)
Finance costs	*6*	**(28,027)**	(28,465)
Gain on disposal of subsidiaries		**–**	31,378
Loss on deregistration of subsidiaries		**–**	(1,704)
Loss before tax		**(65,597)**	(36,837)
Income tax expense	*7*	**(1,639)**	(3,045)
Loss for the year	*8*	**(67,236)**	(39,882)
Loss for the year attributable to:			
Owners of the Company		**(67,236)**	(38,985)
Non-controlling interests		**–**	(897)
		(67,236)	(39,882)
Loss per share			
Basic and diluted	*10*	**HK(19.84) cents**	HK(11.34) cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Loss for the year	*8*	**(67,236)**	(39,882)
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(29,710)**	20,527
Release of translation reserve upon disposal of subsidiaries		**–**	(890)
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income		**(540)**	–
Other comprehensive (expense) income for the year, net of income tax		**(30,250)**	19,637
Total comprehensive expense for the year		**(97,486)**	(20,245)
Total comprehensive expense attributable to:			
Owners of the Company		**(97,486)**	(19,954)
Non-controlling interests		**–**	(291)
		(97,486)	(20,245)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Non-current assets			
Prepaid lease payments		**28,035**	31,112
Right-of-use assets		**196,187**	231,385
Property, plant and equipment		**182,339**	190,727
Investment properties		**248,680**	256,500
Goodwill		**11,631**	11,631
Financial assets at fair value through other comprehensive income ("**FVTOCI**")		**–**	–
Deposits paid for acquisition of property, plant and equipment		**3,169**	20,621
Rental deposits		**3,729**	3,747
Club membership		**366**	366
		674,136	746,089
Current assets			
Inventories		**57,338**	100,276
Trade and bills receivables	*11*	**222,836**	299,175
Prepayments, deposits and other receivables		**15,406**	16,310
Tax recoverable and tax reserve certificate		**10,663**	10,726
Financial assets at fair value through profit or loss ("**FVTPL**")		**2,533**	3,875
Pledged bank deposits		**10,054**	13,200
Bank and cash balances		**75,896**	109,613
		394,726	553,175

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 31 March 2023

	Notes	**2023** **HK$'000**	2022 *HK$'000*
Current liabilities			
Trade and bills payables	*12*	**98,673**	126,333
Accruals and other payables		**31,873**	44,069
Contract liabilities		**1,644**	3,096
Lease liabilities		**9,881**	9,768
Short-term bank borrowings		**100,009**	140,412
Tax payables		**20,463**	22,143
Long-term bank borrowings		**56,808**	69,857
		319,351	415,678
Net current assets		**75,375**	137,497
Total assets less current liabilities		**749,511**	883,586
Non-current liabilities			
Long-term bank borrowings		**7,000**	11,200
Lease liabilities		**206,584**	233,931
		213,584	245,131
NET ASSETS		**535,927**	638,455
Capital and reserves			
Share capital		**3,311**	3,439
Reserves		**532,616**	635,016
Total equity		**535,927**	638,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020
Amendments to HKFRS 16	Covid-19 Related Rent Concession beyond 30 June 2021

The application of the above amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and related Amendments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising From a Single Transaction[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] Effective date to be determined

The directors of the Group anticipate that the application of these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. REVENUE AND SEGMENT INFORMATION

Revenue of the Group represents revenue arising from sale of goods and gross rental income earned from investment properties 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 paperboard and corrugated paper-based packaging products;
Offset printed corrugated products	– manufacture and sale of offset printed corrugated paper-based packaging products; and
Properties leasing	– properties leased in Hong Kong for rental income.

Segment revenues and results

The revenue from sale of corrugated products and offset printed corrugated products are recognised at a point in time when "control" was transferred, while rental income from properties leasing is recognised over term of the leases.

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

For the year ended 31 March 2023

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue from contracts with customers within the scope of HKFRS 15					
External sales	**582,781**	**198,461**	**–**	**–**	**781,242**
Inter-segment sales	**66,223**	**2,993**	**–**	**(69,216)**	**–**
	649,004	**201,454**	**–**	**(69,216)**	**781,242**
Revenue from other sources					
Gross rental income	**–**	**–**	**5,836**	**–**	**5,836**
Total	**649,004**	**201,454**	**5,836**	**(69,216)**	**787,078**
Segment results	**(24,861)**	**(5,014)**	**(3,966)**		**(33,841)**
Dividend income from equity securities at FVTPL					**110**
Fair value changes of equity securities at FVTPL					**(107)**
Income from wealth management products					**571**
Finance costs					**(9,475)**
Corporate income and expenses, net					**(22,855)**
Loss before tax					**(65,597)**

2. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2022

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue from contracts with customers within the scope of HKFRS 15					
External sales	942,357	229,195	–	–	1,171,552
Inter-segment sales	24,769	7,564	–	(32,333)	–
	967,126	236,759	–	(32,333)	1,171,552
Revenue from other sources					
Gross rental income	–	–	5,719	–	5,719
Total	967,126	236,759	5,719	(32,333)	1,177,271
Segment results	(34,747)	(18,517)	15,691		(37,573)
Dividend income from equity securities at FVTPL					35
Fair value changes of equity securities at FVTPL					(345)
Income from wealth management products					1,202
Gain on disposal of subsidiaries					31,378
Loss on deregistration of subsidiaries					(1,704)
Finance costs					(7,976)
Corporate income and expenses, net					(21,854)
Loss before tax					(36,837)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profits or losses represented the profit earned (loss incurred) from each segment without allocation of dividend income from equity securities at FVTPL, fair value changes of equity securities at FVTPL, income from wealth management products, gain 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 2023

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	**579,907**	**195,397**	**248,180**	**1,023,484**
Total assets for reportable segments				**1,023,484**
Unallocated items:				
Leasehold land in Hong Kong for corporate use				**964**
Investment properties for capital appreciation purpose				**1,280**
Goodwill				**11,631**
Club membership				**366**
Financial assets at FVTPL				**2,533**
Tax recoverable and tax reserve certificate				**10,663**
Bank balances managed on central basis				**518**
Others				**17,423**
Consolidated assets				**1,068,862**
Segment liabilities	**240,765**	**89,999**	**6,103**	**336,867**
Total liabilities for reportable segments				**336,867**
Unallocated items:				
Tax payables				**20,463**
Bank borrowings				**163,817**
Others				**11,788**
Consolidated liabilities				**532,935**

2. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2022

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Total *HK$'000*
Segment assets	734,100	254,040	256,322	1,244,462
Total assets for reportable segments				1,244,462
Unallocated items:				
Leasehold land in Hong Kong for corporate use				1,004
Investment properties for capital appreciation purpose				1,300
Goodwill				11,631
Club membership				366
Financial assets at FVTPL				3,875
Tax recoverable and tax reserve certificate				10,726
Bank balances managed on central basis				521
Others				25,379
Consolidated assets				1,299,264
Segment liabilities	290,983	116,158	1,451	408,592
Total liabilities for reportable segments				408,592
Unallocated items:				
Tax payables				22,143
Bank borrowings				221,469
Others				8,605
Consolidated liabilities				660,809

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

- all assets are allocated to operating segments other than leasehold land in Hong Kong for corporate use, investment properties for capital appreciation purpose, goodwill, club membership, financial assets at FVTPL, tax recoverable and tax reserve certificate, bank balances managed on central basis and other corporate assets; and

- all liabilities are allocated to segments other than tax payables, bank borrowings and other corporate liabilities.

2. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 March 2023

	Corrugated products *HK$'000*	**Offset printed corrugated products** *HK$'000*	**Properties leasing** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Amounts included in the measurement of segment profit or segment assets:					
Depreciation and amortisation	**22,793**	**16,423**	**–**	**771**	**39,987**
Interest on lease liabilities	**13,656**	**4,877**	**–**	**19**	**18,552**
Additions to non-current assets *(note)*	**27,521**	**1,774**	**–**	**–**	**29,295**

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

For the year ended 31 March 2022

	Corrugated products *HK$'000*	Offset printed corrugated products *HK$'000*	Properties leasing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measurement of segment profit or segment assets:					
Depreciation and amortisation	33,294	19,812	–	851	53,957
Interest on lease liabilities	14,881	5,581	–	27	20,489
Evacuation compensation	28,862	27,053	–	–	55,915
Labour redundancy costs	60,295	4,219	–	–	64,514
Additions to non-current assets *(note)*	42,932	27,618	–	–	70,550

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

2. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in the People's Republic of China (the "**PRC**" or "**China**"), 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 locations detailed below:

	Revenue from external customers		**Non-current assets** *(note)*	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**130,772**	186,242	**251,792**	259,041
Macau	**–**	–	**–**	5
The PRC except Hong Kong and Macau	**656,306**	991,029	**410,713**	475,412
Consolidated total	**787,078**	1,177,271	**662,505**	734,458

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

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:

	2023	2022
	HK$'000	*HK$'000*
Customer A *(note)*	**99,096**	116,908

Note: Revenue from corrugated products.

3. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Dividend income from equity securities at FVTPL	**110**	35
Government subsidies	**2,086**	4,504
Evacuation compensation	**–**	55,915
Bank interest income	**493**	863
Other rental income	**368**	229
Exchange gain	**6,894**	–
Sundry income	**498**	2,056
	10,449	63,602

4. OTHER GAINS AND LOSSES

	2023	2022
	HK$'000	*HK$'000*
Fair value changes of equity securities at FVTPL	**(107)**	(345)
Fair value changes of investment properties	**(9,010)**	10,747
Income from wealth management products	**571**	1,202
Gain on lease termination	**–**	589
	(8,546)	12,193

5. OTHER OPERATING EXPENSES

	2023	2022
	HK$'000	*HK$'000*
Loss on disposal of property, plant and equipment	**43**	5,089
Write off of property, plant and equipment	**238**	10,520
Labour redundancy costs	**–**	64,514
Moving costs	**–**	1,493
Installation and uninstallation costs	**–**	1,556
Other evacuation costs	**–**	2,216
Others	**74**	709
	355	86,097

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings	**9,475**	7,975
– bank overdraft	**–**	1
– lease liabilities	**18,552**	20,489
	28,027	28,465

7. INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
– Current tax	**579**	487
– Under/(over) provision for previous years	**618**	(29)
	1,197	458
PRC Enterprise Income Tax ("**EIT**"):		
– Current tax	**20**	1,203
– Under (over) provision for previous years	**422**	(784)
– Withholding tax	**–**	2,168
	442	2,587
	1,639	3,045

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits except for the first HK$2,000,000 of a qualifying group entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered profit tax rate regime.

PRC

Under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and implementation regulations of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onward.

7. INCOME TAX EXPENSE (Continued)

PRC (Continued)

According to the relevant requirements of the Administrative Measures with regard to the recognition of High and New Technology Enterprise ("**HNTE**"), an enterprise which has obtained the HNTE qualification is entitled to enjoy tax preferential treatment from the year in which the certificate is issued. In accordance with the relevant requirements of the EIT Law, HNTEs are entitled to enjoy a preferential tax rate at the EIT rate of 15%. During the year ended 31 March 2022, a subsidiary, Sky Achiever Paper Industrial (Shenzhen) Company Limited ("**SAP**") was qualified as HNTE and enjoyed a preferential tax concession and the applicable EIT rate is at a reduced rate of 15% from 9 December 2019 to 8 December 2022. The HNTE designation will be reassessed every three years according to relevant rules and regulations.

Apart from the above, certain PRC subsidiaries concurrently meet the following three conditions classified as small low-profit enterprises. These conditions are: (1) annual taxable amount of not more than RMB3 million; (2) number of employees of not more than 300; and (3) total assets of not exceeding RMB50 million.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Implementation of Inclusive Tax Relief Policy for Small Low-profit Enterprises (No. 13 [2019], Ministry of Finance) and Announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises (No. 2 [2019] of the State Administration of Taxation), the portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million shall be calculated at a reduced rate of 25% as taxable income amount and be subject to EIT at 20% tax rate; the portion over RMB1 million but not exceeding RMB3 million shall be calculated at a reduced rate of 50% as taxable income amount and be subject to EIT at 20% tax rate.

Certain subsidiaries of the Group in the PRC are entitled to claim 200% of their research and development cost for income tax reduction.

The profits of the PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax at a rate of 5% (2022: 5%) upon distribution of such profits to investors in Hong Kong.

The Group

During the years ended from 31 March 2016 to 2023, the Inland Revenue Department of Hong Kong ("**IRD**") issued estimated assessment and additional assessment for the years of assessment 2009/10 to 2016/17 to six subsidiaries of the Group amounting to approximately HK$25,953,000. The Group had made objections to IRD on these assessments and purchased tax reserve certificates amounting to HK$9,766,000 in aggregate. IRD has held over the payment of profits tax of approximately HK$15,567,000.

8. LOSS FOR THE YEAR

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

	2023	2022
	HK$'000	*HK$'000*
Depreciation for property, plant and equipment	**21,084**	29,851
Depreciation for right-of-use assets	**18,117**	23,119
Amortisation of prepaid lease payments	**786**	987
Total depreciation and amortisation	**39,987**	53,957
Cost of inventories recognised as an expense	**668,606**	994,848
Direct operating expense of investment properties that generated rental income	**183**	164
Total cost of sales	**668,789**	995,012
Auditor's remuneration	**1,200**	1,150
Lease payments for short-term lease not included in the measurement of lease liabilities	**2,601**	352
Net foreign exchange (gain) loss	**(6,894)**	4,290
Gain on disposal of subsidiaries	**–**	(31,378)

9. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

10. LOSS PER SHARE

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

Loss

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(67,236)**	(38,985)

Number of shares

	Number of shares	
	2023	2022
Weighted average number of ordinary shares (after adjustment for the effects of repurchase of shares) for the purpose of basic and diluted loss per share	**338,853,392**	343,858,000

For the year ended 31 March 2023 and 2022, there is no dilution effect in the calculation of loss per share.

11. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on credit, 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:

	2023	2022
	HK$'000	*HK$'000*
Trade receivables:		
Not yet due for settlement *(note a)*	**162,713**	216,718
Overdue:		
1 to 30 days	**7,235**	24,878
31 to 90 days	**7,363**	23,060
91 to 365 days	**294**	8,631
Over 1 year	**3,600**	3,629
	181,205	276,916
Less: Allowance for expected credit losses	**(3,191)**	(3,427)
	178,014	273,489
Bills receivables not yet due for settlement *(note b)*	**44,822**	25,686
	222,836	299,175

Notes:

(a) Aged within 120 days.

(b) Aged within 90 days.

11. TRADE AND BILLS RECEIVABLES (Continued)

The balance of trade receivables included debtors (see below for ageing analysis) who are past due as at the reporting date for which the Group has not provided for impairment due to no significant change in the creditworthiness of these debtors and, hence, the amounts are still considered as 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. The management of the Group have assessed the expected credit losses of all trade and bills receivables and made impairment when they considered as appropriate.

Ageing of trade receivables which are past due but not impaired

	2023	2022
	HK$'000	*HK$'000*
Overdue by:		
1 to 90 days	**14,598**	47,938
91 to 365 days	**294**	8,631
Over 1 year	**409**	202
Total	**15,301**	56,771

Movement in the allowance for expected credit losses

	2023	2022
	HK$'000	*HK$'000*
At 1 April	**3,427**	10,169
Bad debt written off	**–**	(6,868)
Exchange differences	**(236)**	126
At 31 March	**3,191**	3,427

In determining the recoverability of a trade receivable, management considers any change in the creditworthiness of trade receivables from the date when 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.

The allowance for expected credit losses included individually impaired trade receivables with an aggregate balance of approximately HK$3,191,000 (2022: approximately HK$3,427,000) which are either being placed under liquidation or in severe financial difficulties.

12. TRADE AND BILLS PAYABLES

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

	2023	2022
	HK$'000	*HK$'000*
Trade payables:		
0 to 30 days	**58,042**	69,630
31 days to 90 days	**2,003**	6,326
Over 90 days	**353**	291
	60,398	76,247
Bills payables *(note)*	**38,275**	50,086
	98,673	126,333

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 term.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the year ended 31 March 2023 (the "**Year**"), as the result of the on-going novel coronavirus ("**COVID-19**") pandemic (the "**Pandemic**"), the People's Republic of China (the "**PRC**" or "**China**") had continued to implement strict restriction measures to control the spreading of COVID-19 until the fourth quarter of 2022. Such measures include city-wide lockdowns, which led to a slow recovery of the regional economy and social consumption. According to the National Bureau of Statistics of China (the "**NBSC**"), China's year-on-year ("**YoY**") economic growth rate was 0.4%, 3.9%, 2.9% respectively in the second, third, fourth quarter of 2022, representing a sharp decline compared to the corresponding growth rate of 8.3%, 5.2%, 4.3% in the respective quarters in 2021, indicating an overall weak economic recovery across various business sectors in the PRC during the Year.

In addition, the overall business environment faced by the Group had been further complicated by various factors arising from the global business environment including the destocking and bank crisis in US, the war in Ukraine and the geopolitical uncertainties, leading to more prudent and reserved strategies adopted by the customers which caused an overall weakened global demand in trading activities and had an adverse impact on Chinese manufacturers' performance in export and trading.

Meanwhile, the exchange rate of Renminbi ("**RMB**") hit record lows against US dollar during the Year, further led to uncertainties on China's recent trade outlook. In light of such uncertainties, paper-based manufacturers face tremendous operating pressure as they were forced to incur more cost from sourcing raw materials overseas, which led to a YoY decrease of approximately 29.8% in total profits generated by sizable paper and paper products manufacturers in China in 2022 according to the statistics from NBSC. As the industry standard continues to rise and profit margins becoming more narrow as the result of the rising cost for sourcing raw materials overseas, paper packaging manufacturers would need to strive to differentiate themselves through efficient operations and innovative products and technological abilities so as to maintain sustainability in business and further developments in face of such challenging market environment.

Amid the challenges faced by paper packaging industry in China, what remained encouraging was that the consumer market continued to maintain a positive momentum during the Year. In particular, according to the NBSC, online retail sales increased by 4.0% YoY to approximately RMB13,785.3 billion, demonstrating that the resilience and positive long-term growth potential in the PRC's online retail market. As the local consumer market continues to grow and the global consumer market growth resumes, it is expected to drive the demand for quality paper-based packaging products together with the increase in trading and logistics demand in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review

As mentioned under the section headed "Industry Review", during the Year the recovery of the economy in both local and global market from the adverse effects of the Pandemic remained slow. In China, the real estate industry suffered a serious downturn due to the halts and delays in construction projects, and the domestic demand for the home appliance stayed low. The demand for related paper packaging products remained low during the Year. Facing similar undesirable and uncertain business environment, as part of their cost-saving strategy, certain customers shifted their supply chain from the PRC to the Southeast Asia for lower production cost and further risk diversification. Meanwhile, the Group together with other industry players also have to face the challenging global business environment with an impact on China's recent trade outlook and the cost-pressure as illustrated above. To mitigate these challenges, the Group continued its efforts in maintaining stringent cost control, but at the same time strive to expand its presence in the domestic market by diversifying its customer base and product mix, and leveraging its strong reputation and credibility in the PRC's paper packaging industry. Thanks to the Group's effort, it managed to receive sales orders from new customers in domestic market during the Year; the increased sales orders were mainly contributed by well-established new customers (particularly those in the home appliance sector) which are favorable to the Group in mitigating the potential credit risk. Despite the increase in sales orders from new customers, the Group however still recorded an overall decrease in sales orders during the Year which was attributed to the lower economic growth in the PRC and weakened real estate market as the result of the Pandemic and other unfavourable global market situation. In addition, the customers who were concerned over inflation and interest rates increment adopted a more reserved approach and slowed down the ordering pace. Coupled with the depreciation of RMB against Hong Kong dollars ("**HKD**" or "**HK$**") throughout the Year and the cessation of the Group's operation in Fujian in 2021 (as operated through the Fujian Plant which was disposed on 31 August 2021), the Group's revenue decreased by approximately 33.1% to approximately HK$787.1 million during the Year (2022: approximately HK$1,177.3 million). In line with the revenue drop for the Year, the Group's gross profit decreased by approximately 35.1% to approximately HK$118.3 million during the Year (2022: approximately HK$182.3 million). Nonetheless, the Group is positive that its newly established factories in Dongguan, including Dongguan Factory I and Dongguan Factory II, are well-equipped to assure the Group to enjoy sufficient production efficiency for its main business operation and long-term growth and be able to keep up with the increased in production demand of paper packaging products once the local and global market recovers from the unfavourable business environment due to the Pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

As part of the long-term strategy to maintain the Group's competitive advantage in the industry, the Group continued to focus on offering high value-added printed corrugated paper-based packaging products and services during the Year. Despite the challenges faced during the Year, as well as the fix costs from staff costs and depreciations, the Group's overall gross profit margin only decreased slightly to approximately 15.0% (2022: approximately 15.5%). This was mainly attributed to its strong and mutually supportive relationships with its major suppliers whereby the Group was able to source its raw materials from a stable supply of quality raw paper from both domestically and overseas at a cost-effective manner. To meet the delivery schedules for its domestic customers, the Group relied mainly on domestic procurement during the Year while the global logistics were disrupted. Such strategy also allowed the Group to maintain flexibility of adjusting its proportion of imported raw materials, so as to achieve optimal stock management and cost effectiveness. The Group also proactively reviews its internal control and risk management system from time to time and seek to continue to enhance the system in response to market changes.

In addition, the ongoing negative effect the Pandemic had on the economy led to a decline in property prices in the Hong Kong throughout the Year. As a result, the Group recorded a fair value loss on its investment properties of approximately HK$9.0 million during the Year (2022: fair value gain of approximately HK$10.7 million). Having adopted a prudent approach amid the volatile market, the Group will continue to monitor the economic development and property market conditions, as well as review the performance of its investment portfolio from a long-term investment perspective.

As a result of the above mentioned, the Group recorded net loss of approximately HK$67.2 million during the Year (2022: approximately HK$39.9 million). Nevertheless, the Group will continue to stay alert to the potential market changes, striving to maintain sustainable business growth with its well-established reputation and internal risk control capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Result of Operation

	2023		2022	
	HK$'000	*(%)*	*HK$'000*	*(%)*
Paper-based packaging				
PRC domestic sales	**656,306**	**84.0**	991,029	84.6
Domestic delivery export	**80,451**	**10.3**	126,673	10.8
Direct export	**44,485**	**5.7**	53,850	4.6
	781,242	**100.0**	1,171,552	100.0
Properties investment				
Rental income	**5,836**		5,719	
Total Revenue	**787,078**		1,177,271	
Gross profit margin		**15.0**		15.5
Net loss margin		**(8.5)**		(3.4)

Revenue

During the Year, the Group continued its effort in expanding its domestic market, as well as diversifying its customer base and credit risks with well-established new clients, in order to broaden the revenue streams which resulted in increase in sales orders from new customers. Yet, when facing the global and domestic economic challenges (for details please refer to the section headed "Business Review") as a paper-packaging manufacturer, the increase in the Group's sales orders from new customers were not able to fully negate the effect of the decrease in overall sales orders as the customers became more cautious on minimising the operational risks involved amid such time of uncertainties and slowed down their ordering pace. In line with industry norms and standards, the Group also maintained a relatively consistent profit margin during the Year. As the Group's overall cost of sales benefited from the lower sourcing costs from raw material suppliers, the unit price of products sold was also reduced accordingly. In addition, given the disposal of the Group's operations in Fujian was made in August 2021, the 5-month operation of the Fujian Plant before the disposal had been accounted for a portion of the Group's revenue for the corresponding period of 2022 but not for the Year. In light of the above, the Group's overall revenue decreased to approximately HK$787.1 million (2022: approximately HK$1,177.3 million). Nonetheless, leveraging the industry expertise and leading brand reputation in the PRC market, the Group, having been able to capture new and well-established customers and leverage on its long-term stable source of raw material supplies which enable it to adjust accordingly to the order demands and cost benefits despite such challenging situation, is positive that it would be well positioned to resume its business growth when the market condition improves.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Revenue (Continued)

Guangdong operation

Guangdong operation had always been the focus of the Group's business, which mainly engaged in high value-added business of high-quality corrugated paperboard and structural-designed paper-based packaging products that are in high demand for home appliance packaging (being one of the Group's main revenue streams). As mentioned in the section headed "Business Review", the market demand fluctuated and affected the Group's revenue during the Year due to the weakened export market and domestic retail market of home appliances. The revenue of Guangdong operations for the Year decreased to approximately HK$773.3 million (2022: approximately HK$1,096.1 million) despite the Group leveraging on its rising brand recognition in Guangdong and surrounding areas to capture new sales orders from well-established new customers. Together with the newly established factories in Dongguan (including Dongguan Factory I and Dongguan Factory II), the Group believes its advanced production efficiency and capacity will assist the Group to continue to drive its business growth in accommodating the anticipated customers' demands in the long run.

Properties investment

The revenue generated from the properties leasing business remained stable at approximately HK$5.8 million for the Year (2022: approximately HK$5.7 million).

Gross Profit

In line with the decrease in the Group's revenue, the Group's gross profit decreased to approximately HK$118.3 million during the Year (2022: approximately HK$182.3 million). Facing the escalating cost pressures in sourcing raw materials overseas and global supply chain disruptions during the Year, the Group was able to maintain effective communication with its long-cooperating suppliers and managed to secure sufficient and quality supply of raw paper through flexible souring channels at reasonable costs. Meanwhile, the Group spared no efforts in enhancing internal management and operational efficiency in order to achieve sustainable improvement in financial performance. Hence, although incurring fixed costs such as staff costs and depreciation of the assets were inevitable, the Group managed to keep its gross profit margin level during the Year at approximately 15.0% (2022: approximately 15.5%).

Guangdong operation

The high quality value-added structural-designed corrugated paperboard and paper-based packaging products, being the focus of the Group's business, continued to contribute the most to the Group's gross profit during the Year. In addition, the Group started to increase the portion of paperboard and semi-finished packaging products in its product mix during the Year. The gross profit generated from the Guangdong operation for the Year decreased to approximately HK$112.6 million (2022: approximately HK$169.4 million). The gross profit margin of the Group's Guangdong operation for the Year was approximately 14.6% (2022: approximately 15.5%).

Gross Profit (Continued)

Properties investment

The cost of properties leasing represented the direct outgoings of the investment properties. The gross profit of properties leasing for the Year was approximately HK$5.7 million (2022: approximately HK$5.6 million).

Other Income

The other income for the Year was mainly generated from the exchange gain and government subsidies. The Group's other income for the Year was approximately HK$10.4 million (2022: approximately HK$63.6 million). The other income for the corresponding period in 2022 was mainly due to the one-off evacuation compensation received by the Group pursuant to the lease termination in relation to the lease termination agreements of six premises (the "**Premises**") leased by the Group on 18 May 2021 (the "**Lease Termination**"). For details of the Lease Termination, please refer to the announcement of the Company dated 18 May 2021 and the circular of the Company dated 16 July 2021.

Selling and Administrative Expenses

In line with the decrease in revenue, the selling expenses of the Group for the Year fell to approximately HK$68.1 million (2022: approximately HK$89.8 million). Attributed to the effectiveness of internal and risk management to achieve sustainable profitability, the overall administrative expenses of the Group decreased to approximately HK$89.3 million for the Year as compared to approximately HK$120.2 million for the corresponding period in 2022.

Other Operating Expenses

Other operating expenses of the Group for the Year decreased to approximately HK$0.4 million (2022: approximately HK$86.1 million). It was mainly due to the one-off expenses arising from the evacuation arrangements of the Group pursuant to the Lease Termination during the corresponding period in 2022. For details of the Lease Termination, please refer to the announcement of the Company dated 18 May 2021 and the circular of the Company dated 16 July 2021.

Finance Costs

The finance costs were mainly occurred from interest on lease liabilities and bank loan. Upon the application of HKFRS 16 Leases, the Group's interest expenses for leased liabilities for the Year decreased to approximately HK$18.6 million (2022: approximately HK$20.5 million). As the result of the interest rates having increased globally during the Year. The Group's interest on bank borrowings for the Year increased to approximately HK$9.5 million (2022: approximately HK$8.0 million).

Other Gains and Losses

During the Year, the Group recorded other losses of approximately HK$8.6 million (2022: other gains of approximately HK$12.2 million), the losses mainly represented the fair value loss on investment properties of approximately HK$9.0 million during the Year, whereas the fair value gain of investment properties for the corresponding period of 2022 was approximately HK$10.7 million. The Group had been closely monitoring the market dynamics and evaluating the operation and performance of its investment portfolio from time to time.

Net Loss and Dividend

The Group recorded net loss of approximately HK$67.2 million during the Year (2022: approximately HK$39.9 million), mainly arising from fair value loss on investment properties, as well as decrease in gross profit. Correspondingly, the Group recorded a net loss margin of approximately 8.5% for the Year, whereas the net loss margin for the year ended 31 March 2022 was approximately 3.4%.

The basic and diluted loss per share for the Year was HK19.84 cents (2022: HK11.34 cents). The Board does not propose payment of final dividend for the Year.

Capital Structure

Having adopted a prudent treasury policy, the Group's current ratio (calculated as current assets divided by current liabilities) was slightly decreased to approximately 1.24 as at 31 March 2023 (as at 31 March 2022: approximately 1.33), mainly due to the decrease in trade and bills receivables of the Group in line with the decrease in revenue.

The Company's issued share capital as at 31 March 2023 was HK$3,310,840 divided into 331,084,000 shares of HK$0.01 each.

Working Capital

	2023	2022
	Turnover days	Turnover days
Trade and bills receivable	**121**	96
Trade and bills payable	**61**	56
Inventories	**43**	40
Cash conversion cycle*	**103**	80

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

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Working Capital (Continued)

The Group continued to adopt stringent credit risks management, and closely monitored the creditworthiness and collection history of its customers. The Group's trade and bills receivables as at 31 March 2023 was approximately HK$222.8 million (as at 31 March 2022: approximately HK$299.2 million). The Group's trade and bills receivables turnover days increased to 121 days for the Year as compared to 96 days for the year ended 31 March 2022. The credit terms of trade receivables at Dongguan Factory I ranged from 15 days to 120 days from the month in which the revenue is recognised. It was attributable to the fact that the Group, having assessed the historical payment records and close business relationship, allowed longer credit terms for creditworthy customers in order to maintain ongoing business relationship. In addition, the Group stove to diversify the credit risk by accepting sales orders from well-established new customers during the Year. As such, the Group considered that the trade and bills receivables turnover pattern was still healthy despite the increase in turnover days.

Attributed to the close collaboration relationship with its suppliers, the Group was allowed to enjoy stable supplies of raw paper. In view of the change in market demand during the Year, the Group strengthened its control on procurement to maintain efficient cost and inventory management. The Group's trade and bills payables as at 31 March 2023 decreased to approximately HK$98.7 million (as at 31 March 2022: approximately HK$126.3 million). The Group strove to prolong the trade and bill payables turnover pattern while maintaining good business relationship with the suppliers, the trade and bill payables turnover days for the Year increased to 61 days as compared to 56 days for the year ended 31 March 2022.

Given the effort the Group put into its inventory management, the Group managed to maintain its inventories at a sound level with inventories turnover days of 43 days for the Year (for the year ended 31 March 2022: 40 days). The Group's inventories decreased to approximately HK$57.3 million as at 31 March 2023 (as at 31 March 2022: approximately HK$100.3 million).

Affected by the abovementioned factors, the Group's cash conversion cycle prolonged to 103 days for the Year (as at 31 March 2022: 80 days). In order to further improve the turnover of the Group's trade and bills receivables into cash, the Group will also allocate more resources for producing paperboard and semi-finished packaging products which generally has a shorter trade and bills receivables pattern and therefore could improve the Group's cash conversion cycle.

Liquidity and Financial Resources

	As at 31 March	
	2023	2022
Current ratio	**1.24**	1.33
Gearing ratio	**15.3%**	17.0%

During the Year, the principal sources of working capital of the Group remained to be the cash flow from operating activities and bank borrowings. The Group's bank balances and cash was approximately HK$86.0 million as at 31 March 2023 (as at 31 March 2022: approximately HK$122.8 million), including pledged deposit of approximately HK$10.1 million (as at 31 March 2022: approximately HK$13.2 million). The Group also had unused banking facilities of approximately HK$733.2 million in order to secure future cashflow.

The Group's current assets and current liabilities decreased to approximately HK$394.7 and approximately HK$319.4 million respectively as at 31 March 2023 as compared to approximately HK$553.2 million and approximately HK$415.7 million respectively as at 31 March 2022. The current ratio (current assets divided by current liabilities) of the Group maintained at a healthy level of approximately 1.24 as at 31 March 2023 (as at 31 March 2022: approximately 1.33).

The total outstanding bank borrowings of the Group were approximately HK$163.8 million as at 31 March 2023 (as at 31 March 2022: approximately HK$221.5 million), of which approximately HK$118.6 million was repayable within one year and approximately HK$45.2 million was repayable after one year. As at 31 March 2023, all the bank borrowings of the Group were secured, mostly denominated in HKD and RMB and carried floating interest rates.

As at 31 March 2023, the Group maintained sufficient level of cash balance and banking facilities, as well as a sound liquidity position. The Group's gearing ratio (total borrowings divided by total assets) further improved to approximately 15.3% as at 31 March 2023 (as at 31 March 2022: approximately 17.0%), supporting the Group to maintain sustainable business growth and financing potential investment opportunities when appropriate.

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.

Charge of Assets

As at 31 March 2023, the Group pledged certain assets including bank deposits, property, plant and equipment, and investment properties, with aggregate net book value of approximately HK$258.4 million (as at 31 March 2022: approximately HK$269.4 million), to secure banking facilities granted to the Group.

Capital Commitment

As at 31 March 2023, the Group's capital expenditure regarding property, plant and equipment, which are contracted but not provided, was approximately HK$1.7 million (as at 31 March 2022: approximately HK$5.8 million).

As at 31 March 2023, the Group did not have any capital expenditure that was authorised but not contracted for (as at 31 March 2022: Nil).

Contingent Liabilities

During the years ended from 31 March 2016 to 2023, the Inland Revenue Department of Hong Kong ("**IRD**") issued estimated assessment and additional assessment for the year of assessment 2009/10 to 2016/17 to six subsidiaries of the Group amounting to HK$25,953,000. The Group had made objections to IRD on these assessments and purchased tax reserve certificates amounting to HK$9,766,000 in aggregate. IRD has held over the payment of profits tax of HK$15,567,000.

The Company is in the process of negotiation with IRD in relation to the tax assessments of the subsidiaries and the Directors are of the opinion that there has been no best estimation of the outcome as at the end of the Year, taking into account the uncertainties of the outcome of the negotiation which has not been concluded as at the date of this announcement. Thus, no tax provision has been made for the Year (2022: Nil). The Directors will closely monitor the progress and will make provision in a timely manner where necessary and as appropriate.

Employees and Remuneration

The Group's emolument policies are determined with the performance the performance of individual employees and the prevailing market situation, which will be reviewed periodically. As at 31 March 2023, the Group had 933 employees in total (as at 31 March 2022: 1,174). The Group's total expenses on the remuneration of employees, including the emolument of the company's Directors for the Year were approximately HK$137.4 million (2022: approximately HK$191.7 million).

Employees and Remuneration (Continued)

The remuneration and bonuses of the Company's Directors and senior management were 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.

In addition to medical insurance and MPF scheme, competitive remuneration packages, discretionary bonuses, as well as employee share options, which generally structured to market terms by reference, were also awarded to eligible employees in accordance with the assessment of individual performance.

Prospect

Looking ahead, as the global economy continues to face uncertainties with on-going concern on global tensions and less active and lower demand in global trading activities, the Group remains committed to maintain its flexibility in responding to on-going market changes by reviewing and adjusting its business development and risk management strategies from time to time. Despite the slow recovery of global consumer demand, the Group will continue its efforts in integrating its resources and optimising its capacity allocation to expand and diversify its customer base. While home appliance paper packaging has been one of the Group's main business focuses whereby the Group has continued and successfully expanded its reach to well-established new customers over the Year, having recognised the drop in demand of home appliances in the PRC during the underperforming real estate industry in China, the Group has been striving to continue to expand its customer base and in particular to other sectors with potential business growth, such as medical. It was expected that such expansion will paid off and attribute to the recovery of the Group's revenue in the near future.

On one hand, in order to further improve the Group's cash conversion cycle, the Group will allocate more resources on semi-finished packaging products as well as paper board production which generally has a shorter cash conversation cycle.

On the other hand, in response to the adverse impact on market fluctuations including the inflating cost of raw materials, the Group will maintain its long-standing relationship with the existing suppliers and continue its diversified sourcing strategy of domestic and imported raw materials to ensure stable and quality supply.

In face of such unprecedented Pandemic which ultimately brings challenges and uncertainties to the global economy and the industry in which the Group operates in, the Group nonetheless believes that effective internal management is key to build strong financial and operational foundation for furtherance of the Group's business and sustainable development and commits to continue to operate its business in accordance with high standard of corporate governance. The Group will also constantly evaluate its existing investment portfolio performance amid economic uncertainties and make further adjustment cautiously according to market conditions to maintain its risk resilience and achieve sustainable profitability for shareholders in the long run.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2023 and the date of this announcement, the Group does not have any intended plans for material investments or capital assets.

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

During the Year, the Company repurchased a total of 12,774,000 ordinary shares of HK$0.01 each of the Company on the Stock Exchange at an aggregate consideration of approximately HK$5.0 million. All of the 12,774,000 repurchased shares were cancelled during the Year.

Particulars of the repurchases during the Year are as follows:

Month of repurchase	No. of ordinary shares of HK$0.01 each	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$*
August 2022	10,770,000	0.395	0.385	4,242,740
September 2022	1,702,000	0.390	0.390	663,780
October 2022	302,000	0.320	0.280	95,280
	12,774,000			5,001,800

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

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

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on 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 standard 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 with the external auditors, to review the financial statements of the Group and to oversee the Group's financial reporting system, risk management and internal control systems. The Audit Committee consists of three independent non-executive Directors, namely Mr. LAW Tze Lun (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 by the Group and discussed, among other things, auditing, internal controls, risk management and financial reporting matters.

DIVIDENDS

The Board does not propose any payment of final dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting ("**AGM**") to be held on 1 September 2023, the register of members of the Company will be closed from 28 August 2023 to 1 September 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 25 August 2023.

EVENT AFTER THE REPORTING PERIOD

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, more than 25% of the issued shares of the Company were held in public hands as at 31 March 2023.

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, 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 in this 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, 30 June 2023

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.